

SFO Alert (October 21, 2015)

NAREIT Alert Important Industry Updates from NAREIT

SEC and FASB Seek Input on Respective Proposals

October 21, 2015

SEC Request for Public Comment on the Effectiveness of Financial Disclosures about Entities other than the Registrant

On Sept. 25, the Securities and Exchange Commission (the Commission) published a request for [public comment](#) (Request for Comment) that is part of the Commission's [Disclosure Effectiveness Initiative](#) on the effectiveness of financial disclosure requirements in Regulation S-X. The Request for Comment focuses on the requirements for the form and content of financial disclosures that companies must file with the Commission about acquired businesses, affiliated entities, and guarantors and issuers of guaranteed securities. The Request for Comment will be of particular interest to equity REITs given the frequency with which REITs make acquisitions of investment properties. Comments are due to the Commission by Nov. 24.

FASB Proposal on the Conceptual Framework for Financial Reporting – Chapter 3: Qualitative Characteristics of Useful Financial Information

On Sept. 24, the Financial Accounting Standards Board (FASB or Board) published a [proposed accounting standards update](#) (the Proposal) that is intended to ensure that the materiality concepts included in the conceptual framework are consistent with the legal concept of materiality. Comments are due to the Board by Dec. 8.

FASB Proposal on Notes to the Financial Statements – Assessing Whether Disclosures are Material

On Sept. 24, the FASB published a [proposed accounting standards update](#) (the Proposal) that would promote the use of discretion by companies in determining whether disclosures are material. Among other items, the Proposal would clarify that the omission of disclosure of immaterial information would not be considered an accounting error. Comments are due to the Board by Dec. 8.

If you are interested in joining NAREIT's Task Force that will evaluate the SEC Request for Comment and each FASB Proposal, and consider whether NAREIT should develop a comment letter, please contact Christopher Drula, NAREIT's VP, Financial Standards, by Oct. 31.

Contact

For further information, please contact NAREIT Vice President of Financial Standards Christopher Drula at cdrula@nareit.com or Senior Vice President of Financial Standards George Yungmann at gyungmann@nareit.com.