



September 23, 2021

International Accounting Standards Board  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom1

Dear IASB:

The Financial Reporting Executive Committee (FinREC) and the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants appreciate the opportunity to comment on the IASB's March 2021 *Request for Information – Third Agenda Consultation* (RFI).

We strongly recommend that the IASB consider whether revisions are needed to its standards addressing management's going concern assessment. Appendix B — *Descriptions of Frequently Suggested Financial Reporting Issues* of the RFI, identifies going concern as a financial reporting issue (potential project) that was suggested to the IASB during outreach conducted to prepare the RFI. We note that the topic of "Going Concern" is number 10 in the list of issues. As noted in the RFI, some stakeholders said that the current requirements on how management should assess the going-concern basis of preparation are insufficient and suggested more prescriptive requirements may improve application and enforcement. These stakeholders also noted that management's disclosures about going concern can sometimes be inadequate, boilerplate or not provided on a timely basis. It was also noted that IFRS Standards are silent about the basis on which financial statements should be prepared when the going-concern assumption is inappropriate.

We believe revisions to such standards are needed to provide entities with a clear and robust framework for determining when and how to assess and disclose going concern uncertainties in the financial statements.

We believe that requiring management to perform a more robust going concern assessment, will enhance the timeliness, clarity and consistency of related disclosures. We also note that the International Auditing and Assurance Standards Board (IAASB) is in the process of gathering information and research about going concern and considering further audit standard setting on this topic, which is therefore a relevant and timely topic for the IASB to consider. We encourage the IASB to consider prioritizing that issue and working collaboratively with the IAASB to promote consistency between any resulting changes to the accounting framework and the auditor's responsibilities relating to going concern that arise from these projects.

Representatives of FinREC and the ASB are available to discuss our view with the IASB.

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Respectfully submitted,

/s/ Angela Newell  
Chair, Financial Reporting Executive Committee

/s/ Tracy Harding  
Chair, Auditing Standards Board