



October 27, 2025

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

**Re: File Reference No. 2025-ED300**

Dear Mr. Day,

This letter is submitted by Financial Executives International's (FEI) Committee on Corporate Reporting (CCR) in response to the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standards Update – Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity Classified Preferred Stock (Exposure Draft or proposed Update).

FEI is a leading international organization comprised of members who hold positions as Chief Financial Officers, Chief Accounting Officers, Controllers, Treasurers, and Tax Executives at companies in every major industry. CCR is FEI's technical committee of approximately 50 Chief Accounting Officers and Corporate Controllers from Fortune 100 and other large public companies, representing more than \$19 trillion in market capitalization. CCR reviews and responds to pronouncements, proposed rules and regulations, pending legislation, and other documents issued by domestic and international regulators and organizations such as the U.S. SEC, PCAOB, FASB, and IASB.

This letter represents the views of CCR and not necessarily the views of FEI or its members individually.

Although the majority of CCR companies do not expect to be significantly impacted by the amendments, CCR supports the proposed Update. We believe the proposed amendments will reduce diversity in practice by providing authoritative guidance on the initial measurement of paid-in-kind (PIK) dividends on equity-classified preferred stock. We agree that PIK dividends on equity-classified preferred stock should be initially measured on the basis of the PIK dividend rate stated in the preferred stock agreement. Overall, CCR finds the proposed amendments and transition requirements to be clear and does not expect to incur significant costs to implement the proposed Update. Given the majority of CCR companies do not expect to be significantly impacted, we have not holistically assessed operability.

We appreciate this opportunity to provide feedback on the proposed Update related to the initial measurement of PIK dividends. We thank the Board for its consideration of our comments and welcome further discussion with the Board or staff at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Amie Thuener". The signature is written in a cursive, flowing style.

Amie Thuener  
Chair, Committee on Corporate Reporting  
Financial Executives International