

26 November 2020

Governmental Accounting Standards Board  
P.O. Box 5116  
Norwalk, Connecticut 06856-5116  
*Via email: [director@gasb.org](mailto:director@gasb.org)*

Re: Project 3-20 (Proposed Concepts Statement - Recognition of Financial Statement Elements)

Dear Sirs,

Our response/advice follows a careful reading of the Board's proposed concepts statement.

We offer our advice from two perspectives: (i) as an investor in sovereign bonds (Japonica Partners was one of the largest and most successful investors in Greek government bonds) and (ii) as founder of the Kazarian Center for Public Financial Management (an initiative of the Charles & Agnes Kazarian Foundation whose core competency is to improve public financial management and financial literacy).

As we sit here on 25 November 2020, the 2020 presidential election process has put the US global best practice leadership in serious question. Since its founding, the US has been considered a world leader in democratic and best practice government. Internationally, this is now under serious threat. GASB should understand that moving away from international public sector accounting standards will be seen by the world as the US retreating from global best practices and is a worst practice.

You may not fully appreciate the international implications of a move away from the international best practices on the international standing of the US. Whatever your thought process had been before the November 2020 presidential election, the world has changed, and you should now proudly display global leadership and embrace international public sector best practice accounting standards.

Any actions to the contrary will damage the international reputation of the US and will – indeed – have an impact on the security of the US and those who aspire to the US government democratic model.

From a technical perspective, also, we have read the letters of the following and find their comments on financials providing a true and fair reflection of financial/economic reality on target: Martin Ives (8 October 2020), L. Michael Howard (19 October 2020), and Richard H. Skiba, Jr. (7 November 2020).

Given the global importance of the topic, please let me know if you would like us to make a formal statement and answer questions at the public hearings in Chicago, Illinois on April 13 and 14, 2021.

Sincerely,

Paul B. Kazarian  
Chairman and CEO  
JAPONICA PARTNERS ([japonica.com](http://japonica.com))  
The Charles & Agnes Kazarian Foundation ([kazarianfoundation.org](http://kazarianfoundation.org))

Cc: Bill Bergman – Truth in Accounting