



April 30, 2025

**VIA ELECTRONIC SUBMISSION (DIRECTOR@FASB.ORG)**

Mr. Jackson M. Day  
Technical Director  
Financial Accounting Standards Board  
801 Main Avenue  
P.O. Box 5116  
Norwalk, CT, 06820

**Re: File Reference no. 2024-ITC100 Financial Key Performance Indicators for Business Entities**

Dear Mr. Day,

The Securities Industry and Financial Markets Association Accounting Committee (“SIFMA”)<sup>1</sup> appreciates the opportunity to comment on Invitation to Comment - *Financial Key Performance Indicators for Business Entities* (the “KPI ITC”). SIFMA supports the Financial Accounting Standards Board’s (“FASB’s”) overall efforts to improve the information available to users of financial statements, including by increasing comparability to reduce diversity in practice. However, SIFMA does not believe that the FASB’s objectives would be met by adding a project on key performance indicators to its technical agenda, and accordingly recommends that the Board not add such a project to its agenda. SIFMA plans to provide feedback to File Reference No. 2025-ITC 100 Invitation to Comment – *Agenda Consultation* that other potential projects are of higher importance in order to align financial reporting with the activities and economics of reporting entities, and should be prioritized as such by the FASB.

Consistent with its response to File Reference No. 2021-004, Invitation to Comment: *Agenda Consultation* (“2021 ITC”) SIFMA continues to believe that the FASB should not explore a project to standardize non-GAAP metrics or other key performance indicators. As alluded to in the preparer feedback included in the 2021 ITC and received in

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks, and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation, and business policy, affecting retail and institutional investors, equity and fixed income markets, and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

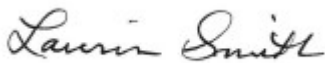
response to it, we continue to believe these types of measures are important tools that allow management to articulate their view of their particular business and its performance in relation to its particular competitors. In addition, adjustments made to performance measures are often industry-specific or entity-specific, and reporting entities are likely to continue making non-GAAP adjustments to any standardized Financial KPIs in order to articulate their performance to users of their financial statements.

Further, while we appreciate how this diversity may create complexities for users of the financial statements, entities are generally required to reconcile all such measures to the corresponding reported US GAAP balances/activities and, therefore, their calculations are fully transparent and able to be compared across preparers. Additionally, the SEC already has regulations and related interpretations on the use of non-GAAP measures in place which provide a necessary framework for public companies using these measures.

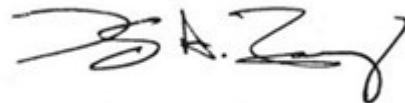
Finally, as it relates specifically to EBITDA and free cash flow, we observe that these metrics are generally not used by our member firms; instead, efficiency ratios and/or measures of return on equity are typically more relevant to bank and broker dealer entity performance (and less relevant to other industries). As a result, if the Board does in fact elect to proceed with a project focusing on those metrics, we strongly encourage them to consider excluding certain industries from the scope thereof.

Thank you for the opportunity to comment. Should you have any questions or require further information concerning any of the matters discussed in this letter, please do not hesitate to contact the undersigned Laurin Smith (Laurin.T.Smith@JPMorgan.com).

Sincerely,



Laurin Smith  
Managing Director, JPMorganChase  
Chair, SIFMA Accounting Committee



Kevin A. Zambrowicz  
Deputy General Counsel  
Accounting and Institutional (Legal)  
SIFMA