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LETTER OF COMMENT NO. 33

November 14, 2008

Russell Golden
Technical Director
File Reference Nos. 1610-100 & 1620-100
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

Re: Accounting for Transfers of Financial Assets – an amendment of FASB Statement No. 140 & Amendments to FASB Interpretation No. 46(R)

Dear Mr. Golden:

The Committee on Corporate Reporting (“CCR”) of Financial Executives International (“FEI”) appreciates the opportunity to share its views on the proposed Statements of Financial Accounting Standards – “Accounting for Transfers of Financial Assets – an amendment of FASB Statement No. 140” (“FAS 140”) and “Amendments to FASB Interpretation No. 46(R)” (“FIN 46(R)"). FEI is a leading international organization of senior financial executives. CCR is the senior technical committee of FEI, which reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CCR and not necessarily the views of FEI or its members individually.

While we agree with the Board’s objective of improving the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets as well as improving financial reporting by enterprises involved with variable interest entities, we do not believe the Board should pursue these issues at this time. CCR supports the Board’s primary objective in eliminating the concept of qualifying special purpose entities (QSPEs) and changing the FIN 46(R) consolidation framework away from the quantitative model. However, we believe further debate on these matters should be deferred until some of the broader issues associated with QSPEs and variable interest entities can be addressed jointly with the International Accounting Standards Board (“IASB”). The IASB is currently undergoing a project aimed at producing a single standard on consolidation replacing International Accounting Standard (“IAS”) No. 27, “Consolidated and Separate Financial Statements” and the Standing Interpretations Committee No. 12, “Consolidation - Special Purpose Entities”, as well as a project to amend IAS No. 39, “Financial Instruments: Recognition and Measurement”, that would

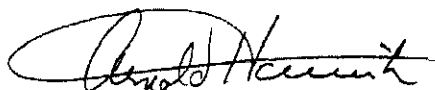
provide guidance on the derecognition of financial instruments. We strongly urge the FASB to work with the IASB on both of these projects, which would support the concept of providing for a more stable platform to allow preparers the opportunity to devote the necessary resources to the consideration and implementation of IFRS, versus finalizing a U.S. standard which may only move us further from convergence on a consolidations model.

CCR believes that the FASB should be focusing much of its efforts at this time on the more significant projects on its agenda including those outlined in its Memo of Understanding with the IASB. These projects will provide for significant changes in the accounting and reporting process, and we believe that in order for the various stakeholders in the financial reporting process to appropriately and effectively digest, consider, and implement upcoming potential standards, we should carefully consider whether finalizing the changes to FAS 140 and FIN 46(R) at this time is the best path forward for convergence.

In the interim period prior to the FASB and the IASB addressing these issues as part of a joint agenda project, we believe the additional disclosures that will be required upon the issuance of proposed FASB Staff Position No. FAS 140-e and FIN 46(R)-e (as revised at the November 12, 2008 FASB meeting and slated to be issued no later than December 15, 2008) will provide users of financial statements with additional transparency regarding transfers of financial assets and interests in variable interest entities and should address many of the concerns that have been raised regarding QSPEs as well as other consolidation issues.

We appreciate the Board's consideration of these matters and welcome the opportunity to discuss any and all related matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold C. Hanish". The signature is fluid and cursive, with a large initial "A" and "H".

Arnold C. Hanish
Chairman, Committee on Corporate Reporting
Financial Executives International