Deloitte

Deloitte & Touche LLP Ten Westport Road PO Box 820 Wilton, CT 06897-0820

Tet: +1 203 761 3000 Fax: +1 203 834 2200 www.deloitte.com

December 11, 2007

Mr. Russell G. Golden Director, TA&I - FSP Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 2



File Reference No. Proposed FSP SOP 07-1-a Re: Proposed FSP No. SOP 07-1-a, "Effective Date of AICPA Statement of Position 07-1"

Dear Mr. Golden:

Deloitte & Touche LLP is pleased to comment on proposed FASB Staff Position No. SOP 07-1-a, "Effective Date of AICPA Statement of Position 07-1."

We support the issuance of the proposed FSP as a final FSP because there are significant implementation issues that need to be addressed before AICPA Statement of Position 07-1, Clarification of the Scope of the Audit and Accounting Guide Investment Companies ["the Guide"] and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies, becomes effective. However, we ask that the Board consider the following comments and concerns.

Action Plan for Deferral

The proposed FSP permits an indefinite deferral so that the Board can resolve significant implementation issues in the SOP. The Board should consider communicating an action plan to timely address these issues. As part of the plan, it may wish to develop a working group whose goal would be to resolve implementation issues so that final guidance can be released within a year. Issuing guidance that clarifies the application of the Guide in the near term is important to resolve current inconsistencies in practice.

Economically Similar Entities

The proposed FSP prohibits an entity from early adopting SOP 07-1 unless the entity does so before the issuance of the final FSP. We submit the following example for the Board's consideration:

An enterprise wholly owns Subsidiary A. Subsidiary A early adopts the provisions of SOP 07-1 (before the issuance of the final FSP) and determines it can apply investment company accounting according to the provisions of the Guide. The enterprise also early adopts the provisions of the SOP. Under those provisions, the enterprise can retain Subsidiary A's specialized accounting in its consolidated financial statements. After issuance of the final FSP, the enterprise creates Subsidiary B, which is identical to

Subsidiary A in nature, purpose, and importance to the enterprise. Subsidiary B qualifies for investment company accounting if it applies the guidance in the SOP, but does not qualify for investment company accounting before adoption of the SOP. Because the proposed FSP does not permit Subsidiary B to early adopt the SOP, Subsidiary B would not be able to apply investment company accounting.

As illustrated above, the restrictions on the early adoption of the SOP will cause some parent companies and equity method investors to account for economically similar entities using different accounting methods. We understand that this is particularly relevant for parent companies and equity method investors in real estate investment trusts, which are prohibited from applying investment company accounting before the adoption of the SOP. We ask the Board to consider whether this might be an unintended consequence of the proposed FSP.

Deloitte & Touche LLP appreciates the opportunity to comment on the proposed FSP. If you have any questions concerning our comments, please contact Claudine Hollack at (203) 761-3158.

Yours truly,

Deloitte & Touche LLP

cc: Bob Uhl Brian Gallagher