

Dear Board members and FASB staff:

I appreciate the opportunity to comment on *Conceptual Framework for Financial Reporting: The Reporting Entity*. Below are my comments on the specific questions:

Q1: Do you agree that a reporting entity is a circumscribed area of economic activities whose financial information has the potential to be useful to existing and potential equity investors, lenders, and other creditors who cannot directly obtain the information they need in making decisions about providing resources to the entity and in assessing whether the management and the governing board of that entity have made efficient and effective use of the resources provided? If not, why?

Comments: I strongly agree that a reporting entity is a circumscribed area of economic activities whose financial information has the potential use to information users. This definition is precisely defined and indicates that a reporting entity is not limited to a legal entity, so that partnerships, proprietorships and other groups could fall within the scope, which makes good sense because financial information from these entities also have the potential to be useful.

Q2: Do you agree that if an entity that controls one or more entities prepares financial reports, it should present consolidated financial statements? Do you agree with the definition of control of an entity? If not, why?

Comments: I agree that if an entity controls one or more entities prepares financial reports, it should present consolidated financial statements, because consolidated financial statements would provide a true and fair view of the financial and operating

conditions of the reporting group. The control of an entity incorporating power, rewards and risk is defined comprehensively.

Q3: Do you agree that a portion of an entity could qualify as a reporting entity if the economic activities of that portion can be distinguished from the rest of the entity and financial information about that portion of the entity has the potential to be useful in making decisions about providing resources to that portion of the entity? If not, why?

Comments: I agree with the statement. The reason is that financial statements are in existence to serve the needs of information users, as long as the portion of an entity could be distinguished from the rest and has the potential to provide useful information in decision making, it should qualify as a reporting entity.

Q4: The FASB and the IASB are working together to develop common standards on consolidation that would apply to all types of entities. Do you agree that completion of the reporting entity concept should not be delayed until those standards have been issued? If not, why?

Comments: I agree that completion of the reporting entity concept should not be delayed until those standards have been issued. The objective of financial reporting is to provide useful financial information about reporting entity, so logically the concept is supposed to be issued before the standards.

In my opinion, the Exposure Draft reflects the efforts that both boards invest and is truly a high standard that should be adopted.

Sincerely yours,

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