



909 Third Avenue
New York, NY 10022

November 5, 2010

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

File Reference No. Topic 350

Dear Mr. Golden:

Citigroup appreciates the opportunity to comment on the Exposure Draft, *Proposed Accounting Standards Update Intangibles—Defined Goodwill and Other* (the ED).

Citigroup agrees with both of the proposed amendments pertaining to step 1 of the goodwill impairment test. We believe the equity premise of calculating the carrying amount of reporting units appropriately simplifies the reporting unit measurement and will reduce the inconsistencies in the carrying amount of reporting units. Additionally, we believe that the consideration of additional qualitative factors when reporting units have a zero or negative carrying amount will more accurately determine if goodwill is impaired.

Our comments to the Board's specific inquiries are listed below:

Do you agree that the equity premise should be the only permissible methodology for step 1 of the goodwill impairment test? If not, why not?

Yes, we agree that the equity premise should be the only permissible methodology for step 1 of the goodwill impairment test. The equity premise is a more accurate measure of calculating a reporting unit's carrying value because it encompasses every asset and liability assigned to that reporting unit. Certain assets and liabilities are not excluded from the calculations, thus providing a more complete carrying amount.

Do you agree with the qualitative factors that have been provided for reporting units with zero or negative carrying amounts to consider in determining whether it is more likely than not that a goodwill impairment exists? If not, why not? Are there additional factors that also should be included?

Yes, we agree with the qualitative factors that have been provided for reporting units with zero or negative carrying amounts. Certain factors may exist in reporting units with zero or negative carrying amounts (triggering events) that indicate that impairment is present, even if the fair value exceeds the carrying amount. Considering these additional qualitative factors will more accurately determine if goodwill impairment exists in these reporting units.

We believe that additional factors are not necessary to determine if goodwill impairment exists in a reporting unit with a negative or zero carrying amount. The examples provided in ASC 250-20-35-30 (a) through (g) encompasses the likely scenarios that indicate whether it is more likely than not that goodwill impairment exists.

Do you need more guidance on how to determine if it is more likely than not that goodwill is impaired at transition? If so, please describe what may be helpful with that determination.

No, Citi does not need additional guidance.

For reporting entities that have used an enterprise premise to calculate the carrying amount of a reporting entity for step 1 of the goodwill impairment test, do you believe that applying the amendments in this proposed update would result in different conclusions about the need to perform step 2? If so, please describe such scenarios.

This question is not applicable. Citi currently utilizes the equity premise in calculating the carrying amount of reporting units.

Do you agree with the proposed effective dates for public and non-public entities? Are they operational? If not, why not?

Yes, Citi agrees with the proposed effective dates. We believe that minimal time and effort would be necessary to efficiently implement the amendments in the ED.

Citigroup finds the proposals in the ED useful and believes that they will provide users with adequate information about goodwill impairment.

We thank the Board for its consideration and would welcome the opportunity to further discuss our comments with Board members and their staff. Please do not hesitate to contact me at (212) 559-7721.

Very truly yours,



Robert Traficanti
Deputy Controller and Head of Accounting Policy