



October 17, 2012

Ms. Leslie Seidman, Chairman
Financial Accounting Standards Board
407 Merritt 7
Norwalk, CT 06851

File Reference No. 2012-240

Dear Ms. Seidman,

The Committee on Corporate Reporting (CCR) of Financial Executives International is writing to provide its views on the proposed ASU, *Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income*. First and foremost, we wish to commend the work of the Board and Staff in responding quickly and appropriately to the issues posed by ASU 2011-05. Members of CCR participated in the outreach conducted by the Staff and were impressed with the thorough process by which the underlying issues were examined and a revised solution devised. We fully support the principles in the proposed ASU as annual requirements. As further discussed below, we believe that interim requirements should be limited to a condensed version of the Statement of Comprehensive Income. We also believe that the requirements should be effective beginning for annual periods beginning after December 15, 2012.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. CCR is a 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.

Reporting Comprehensive Income

CCR observes that a number of its member companies early adopted ASU 2011-05, as amended, in their 2011 annual reports and virtually all of our companies have been providing the Statement of Comprehensive Income in filings throughout 2012. To date, we can find no evidence that investors, large or small, find this new statement important to their evaluation of company performance. Nor have the investor relations personnel at our companies received any questions on the individual elements of the new statement or material changes in line items disclosed within it. While we do not suggest that the apparent lack of interest in these changes

October 15, 2012
Page 2

means that the requirements should be rescinded, we do believe that it bears on the question of benefits and costs associated with pursuing expanded interim reporting in this area.

Supplemental Reporting of Reclassification Adjustments

We agree with the Board's proposed enhanced disclosures to present separately, by component, reclassifications out of accumulated other comprehensive income. This includes the requirement to provide in the notes to the financial statements a tabular disclosure of the effect of items reclassified out of accumulated other comprehensive income on the respective line items of net income, to the extent that the items reclassified are required under U.S. GAAP to be reclassified to net income in their entirety. With these changes, we believe that the U.S. requirements will largely conform to the requirements of international standards.

Interim Reporting Requirements

CCR strongly believes that interim requirements related to reporting comprehensive income should be limited to providing a condensed statement of comprehensive income. It is well-understood in the financial reporting community that interim financial statements provide an update to the latest annual financial statements and that each interim period should be viewed as an integral part of a full year reporting cycle. Until recently, interim reports largely consisted of condensed statements of earnings, financial position and cash flows supplemented by selected notes that were deemed to be of significant interest to investors in interim periods.

Over the past ten years, this concept has been overlooked and the size of interim reports has expanded dramatically, straining the resources of finance staffs and pushing the limits of abbreviated reporting timelines. We believe that the Board needs to correct this trend as it pursues the development of a robust disclosure framework. CCR believes that the right approach is to institute a high threshold in selecting additional disclosures for interim reports. In our view, details of reclassification adjustments and the proposed enhanced reporting about the effects of those adjustments on individual income statement line items do not meet that threshold. The apparent lack of investor interest in the Statement of Comprehensive Income appears to support our view.

From the standpoint of costs and benefits, we would observe that some companies do not collect information on items that would be included in the enhanced reporting model proposed in the ASU for interim periods. We also note that intraperiod tax allocation among the components of OCI elements (i.e., reclassification adjustments vs. current period OCI) is not performed during interim reporting periods by all affected companies. Accordingly, adoption of these disclosures for interim periods will require additional time to implement and could affect the transition period necessary for high quality reporting of these items. We also note that expanded interim reporting of such items is not required under IFRS.

We recommend that the Board limit the interim reporting requirements to a condensed Statement of Comprehensive Income. That statement should not require separate reporting of reclassification adjustments or income taxes. We believe that such a presentation is commensurate with the underlying concepts of interim reporting and in line with the level of investor interest in this information.

October 15, 2012
Page 3

Effective Date

CCR believes that the effective date for the proposed ASU, in its present form, should be for annual periods beginning after December 15, 2012. As discussed above, the reporting changes necessary to provide high quality information for interim periods would require more time than is available between the issuance date of the final ASU and beginning of the planning cycle for interim reporting in 2013. However, if the Board adopts our recommendation for interim reporting above, we believe most companies would be able to comply with the interim reporting requirements in 2013.

We would be pleased to meet with Board and staff at its convenience if that will assist in consideration of our comments. We sincerely appreciate the Board's quick action and attention to the issues posed by ASU 2011-05 and look forward to successful implementation of the revised principles.

Sincerely,



Loretta V. Cangialosi
Chairman, Committee on Corporate Reporting
Financial Executives International