

International Association of Consultants, Valuators and Analysts

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10 December 2012

Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, Connecticut 06856-5116 By email: director@fasb.org File Reference No. EITF-11Ar

Madam, Gentlemen,

This letter of comment is submitted on behalf of the International Association of Consultants, Valuators and Analysts (IACVA), a member of the International Valuation Standards Council (IVSC) and the World Association of Valuation Organizations (WAVO). We are a knowledge transfer and credentialing organization with about 10,000 members practicing in the 55 countries, listed in Appendix A, all are involved in business valuation or fraud deterrence.

As a worldwide organization, we are extremely concerned with the development of the accounting standards related to valuation especially in Canada (an IFRS country), where we are incorporated, as well as in the United States, which has, at the moment, a majority of our members.

We appreciate the opportunity to comment on the FASB Exposure Draft "Foreign Currency Matters (Topic 830)".

Question 1: Do you agree that an entity should apply the guidance in Subtopic 830-30, as clarified by the amendments in this proposed Update, for the release of the cumulative translation adjustment into net income upon the loss of a controlling financial interest of a subsidiary or a group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a consolidated foreign entity? If not, please explain why.

We agree with the concepts of the processes set out in ASC 830-30 as amended with respect to the release of cumulative transaction adjustments. However, we believe such releases should be treated as part of the gain or loss on the transaction rather than reported as a separate item in Net Income.

In addition, if the transaction is only a partial, rather than a complete liquidation of the foreign entity we recommend that a pro rata part of the relevant cumulative transaction adjustment potential release should be included with the reported gain or loss.

Question 2: Do you agree that an entity should apply the guidance in Subtopic 830-30, as clarified by the proposed amendments, for the release of the cumulative translation adjustment into net income upon the loss of a controlling financial interest in an investment in a consolidated foreign entity as well as to the derecognition of an equity method investment that is a foreign entity in an acquisition of a business in stages (sometimes referred to as a step acquisition)? If not, please explain why.

We agree with the position set out in this question.

Question 3: Do you agree that the proposed amendments clearly differentiate the treatment for releasing the cumulative translation adjustment between events occurring *within* a foreign entity and events related to an investment *in* a foreign entity? If so, please explain.

We are not satisfied with the all or nothing release process. Whenever a sale, real or notional (as in a step acquisition) takes place in or of a foreign entity, the relevant portion of the cumulative translation adjustment should be released to form part of the gain or loss on the transaction.

Question 4: Do you agree that the proposed amendments should be applied prospectively? If not, please explain why.

We agree that the proposed amendments be applied prospectively.

Question 5: Do you agree that an entity should be permitted to early adopt the proposed amendments? If not, please explain why.

We strongly recommend early adoption.

Question 6: How much time would be needed to implement the proposed amendments?

For most of our member, the period required to implement the proposed amendments should not exceed three months.

Should a Board or staff member wish to discuss this matter further, you may contact me from 9:30 am to 5:00 pm Eastern Time at 416-865-9766.

Respectfully submitted

Per

James P. Catty, MA, CA•CBV, CPA/ABV, CVA, CFA, CGMA, CFE

Chair

Appendix A - List of Countries with IACVA Members

Argentina Latvia Armenia Lebanon Australia Lithuania Austria Malaysia Mexico Azerbaijan Bahamas Moldova Bahrain Netherlands Belarus Nigeria Brazil Philippines Canada Puerto Rico China Romania Egypt Russia Estonia Saudi Arabia France Singapore Georgia South Africa Germany South Korea Ghana Switzerland Syria

Grenadine Islands
Guatemala
Hong Kong
India
Ireland
Ireland
Iresel
Syria
Taiwan
Tajikistan
Thailand
Turkey
Turkmenis

Israel Turkmenistan
Japan United Arab Emirates

Jordan Uganda Kazakhstan Ukrain

Kenya United Kingdom Kuwait United States Kyrgyzstan Uzbekistan