Mr. Lawrence Smith
TA & I Director
Financial Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116
U.S.A.

Dear Mr. Smith:

Re: File R/M. 1025-300 — Exposure Draft: Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans

The Canadian Bankers Association ("CBA") appreciates the opportunity to comment on the U.S. Financial Accounting Standards Board's ("FASB") Exposure Draft ("ED") on Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statement No. 87, 88, 106 and 132R ("Proposal").

As you know, the CBA is the main professional industry association representing over 50 of Canada's domestic and foreign-owned Chartered banks and it is a principal contributor to the development of accounting standards and public policy on issues that affect banks, Canada's major domestic banks invest their securities in the U.S. and as such are impacted by the accounting standards that are implemented in the U.S. since they must apply U.S. GAAP when preparing financial statements for U.S. filings.

The CBA generally supports national standards setters' initiatives to provide greater transparency and more representationally faithful and understandable financial statements. However, with respect to the FASB's Proposal we make the following comment.

Employer's Measurement Date

The Proposal states that the requirement to measure plan assets and benefit obligations shall be as of the date of the employer's statement of financial position. As it currently reads, the ED proposes to eliminate the provision that permits a measurement date that is three months earlier than the statement of financial position. Our members question the elimination of this provision as it would be difficult and impractical to obtain and embed actuarial valuations of these figures in the financial results as at the financial statement measurement date in time for the release of the financial statement results.

May 8, 2006
We recommend that the FASB retain the provision found in paragraph 52 of FASB Statement No. 87 and paragraph 72 of FASB Statement No. 106 that permits the measurement date of pension plan assets and obligations to be as of a date not more than three months prior to the date of the financial statement of financial position, if this method was used consistently from year to year. As the FASB Statement 106's "Basic of Conclusion" states, "the prescribed measurement date should be responsive to the difficulties inherent in the measurement of the accumulated postretirement benefit obligation, as well as the time required to obtain actuarial valuation reports." We suggest that these factors justify the flexibility in selecting the measurement date.

Please do not hesitate to contact me if you have any questions or concerns in respect of our comment.

Sincerely,

[Signature]

RKS/ghp

Cc: Sir David Tweedie, Chairman, FASB