December 20, 2012

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: Proposed Accounting Standards Update, “Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities” (File Reference No. 2012-250)

Dear Technical Director:

We appreciate the opportunity to respond to the proposed Accounting Standards Update, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities (the proposed ASU). We agree with the Board’s decision to limit the scope of ASU 2011-11, Disclosures about Offsetting Assets and Liabilities to derivatives, repurchase and reverse repurchase agreements and securities borrowing and lending transactions.

We believe the scope clarification adequately addresses constituent concerns about implementing the scope of ASU 2011-11. We also do not foresee any significant operability or auditing concerns or constraints in implementing the revised scope. However, we recommend that the guidance in ASC paragraph 210-20-55-3 be retained and a description added as to what makes these agreements similar to master netting arrangements (e.g., net settlement in an event of default). We believe this amendment would help clarify the proposed ASU and answer questions in practice regarding what a ‘similar agreement’ is.

We agree with the Board’s plan to perform additional outreach to identify the circumstances in which an entity may offset financial instruments beyond those included in the proposed ASU. To the extent that there are other financial instruments that would aid in the comparison between U.S. GAAP and IFRS financial statements, the Board should reconsider the scope of the offsetting disclosures at that time.

If you have any questions about our comments or wish to discuss any of the matters addressed herein, please contact Mark Bielstein at (212) 909-5419 or Enrique Tejerina at (212) 909-5530.

Sincerely,

KPMG LLP

KPMG, LLP