February 23, 2016

Russell G. Golden
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116


Dear Mr. Golden:

State Street Corporation ("State Street") appreciates the opportunity to comment on the Proposed Accounting Standards Update - Fair Value Measurement (Topic 820) – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement ("Proposed ASU"). With $27.51 trillion of assets under custody and administration and $2.25 trillion in assets under management at December 31, 2015, State Street is a leader in providing financial services and products to meet the needs of institutional investors worldwide.

State Street appreciates the FASB's continued efforts to improve the effectiveness of fair value measurement disclosures, and we support the proposals to eliminate or modify disclosure requirements that are no longer deemed to provide useful information. However, we disagree with the proposal to expand fair value measurement disclosures as we do not believe they would provide meaningful information to users of the financial statements. Additionally, we believe the expanded disclosures are inconsistent with the overall goal of Proposed Concepts Statement “Conceptual Framework for Financial Reporting – Chapter 8: Notes to Financial Statements” to make financial statement disclosures more effective and coordinated, and less redundant.

Disclosures Eliminated or Modified

We agree with the proposals to eliminate the requirement to disclose the valuation policies and procedures for Level 3 fair value measurements, the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the related policy on the timing of such transfers. We agree with the basis of conclusions in the Proposed ASU that these disclosures do not provide much decision-useful information.

We also support the FASB’s modification to the disclosures about investments in certain entities that calculate net asset value, and disclosures around the measurement uncertainty/sensitivity.
Incremental Disclosures

We disagree with the proposed requirement to present unrealized gains and losses for positions categorized as Level 1 and Level 2 of the fair value hierarchy. While unrealized gain and loss disclosure for Level 3 positions can be beneficial to users who wish to segregate the effects of fair value measurements that are unobservable, this benefit does not apply to observable Level 1 and Level 2 fair value measurements. Additionally, we do not disaggregate realized and unrealized gains and losses for financial instruments measured at fair value through net income for risk management purposes as changes in fair value are recognized in net income regardless of whether they are realized or unrealized. We do not believe that the disaggregation of realized and unrealized gains and losses provides any meaningful information about the timing of future cash flows or the volatility of fair value measurements. Therefore, providing this disclosure would not provide any meaningful benefit to users and would likely result in incremental costs to implement.

We also disagree with the proposed requirement to disclose the range, weighted average, and time period used to develop significant unobservable inputs. Given the level of aggregation necessary for this disclosure, it's likely that the ranges of inputs, weighted averages and time periods used become meaningless in the context of the financial statements as a whole, or worse, provide the user with misleading information. It is unclear, for example, how to meaningfully convey a weighted average for derivative instruments that individually can be an asset or liability at any given time, or for derivative instruments for which counterparty netting is applied. Additionally, disclosing the time period used to develop significant unobservable inputs would be misleading, as it would appear to imply to the readers of our financial statements that our fair value measurement is based on historical inputs rather than an estimate of exit price at the reporting date. Further, we do not monitor this information for risk management purposes because, for the reasons noted above, we do not believe it provides management with meaningful or useful information. Lastly, the methodologies used to calculate this information could be different for each reporting entity, leading to information that not only lacks entity-specific decision useful information, but also lacks comparability, further reducing the value of the information. From an operational perspective, we believe that gathering this data would result in significant manual efforts as it is not information that is currently tracked and captured within our systems and would, therefore, result in incremental costs for preparers without providing meaningful benefit to users.

We appreciate your consideration of our views described above prior to the issuance of a final standard. Should you have any questions or wish to discuss these matters further, please contact me at (617) 664-8213 or via email at spnewth@statestreet.com or Matthew Ristau at (617) 664-4656 or via email at mristau@statestreet.com.

Sincerely,

Sean P. Newth
Senior Vice President
Chief Accounting Officer and Controller