Ms. Leslie F. Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

(submitted via e-mail to director@fasb.org)


Dear Ms. Seidman:

The International Business Machines Corporation (“IBM” or “the company”) appreciates the opportunity to comment on the proposed Accounting Standards Update: Comprehensive Income (Topic 220) – Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income (the “proposed ASU” or “exposure draft (ED)”).

Overall, we are supportive of the proposal to present information about reclassification adjustments out of accumulated other comprehensive income in the footnotes versus being presented on the face of the financial statements. This was the key concern that we raised in our comment letter in November 2011. We support the conclusion to only require specific line item disclosure if the item being reclassified is currently required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income. We also support the conclusion that other items not reclassified in their entirety to net income should only be cross-referenced to the other disclosures in the notes related to that item. This solution is a good compromise to the concerns raised by preparers about the ability and cost required to track certain reclassifications, i.e. certain pension-related costs, through to net income. Lastly, the proposed implementation date is acceptable.

Our assumption is that the proposed ASU will be adopted by the Board. However, we would like to raise one concern for consideration. As stated in the ED, substantially all of the information required to be presented in this proposal is already required to be disclosed elsewhere in the financial statements. While the proposal would not require significant cost to implement, the fact that no new information is provided raises the question of why this proposal is necessary. The financial statement disclosures are already voluminous. Users already have access to this information and can also utilize the XBRL taxonomy to create consolidated reports if necessary. Given this, we question the need to create incremental disclosures that contain redundant information. As applicable, the Board should consider cross-referencing directly to existing disclosures.

The FASB staff conducted significant outreach on this proposal. We appreciate those efforts
and the consideration of alternatives which resulted in the solution being proposed in this exposure draft.

If you have any questions, please do not hesitate to contact me at 914-766-2008 or at gln@us.ibm.com.

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