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January 18, 2008



LETTER OF COMMENT NO. 22

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

## RE: Proposed FASB Staff Position No. FIN 48-b "Effective Date of FASB Interpretation No. 48 for Nonpublic Enterprises"

Dear Mr. Golden:

We appreciate the opportunity to comment on proposed FASB Staff Position No. FIN 48-b, "Effective Date of FASB Interpretation No. 48 for Nonpublic Enterprises." The proposed FSP does not permit a deferral for nonpublic entities that adopted the provisions of FIN 48 before issuance of the final FSP. Based on the Board's January 8<sup>th</sup> press release and discussions with the FASB staff, we understand that the Board's intent was that an entity has "adopted" FIN 48 if it has issued any U.S. GAAP financial information to third parties for any period subsequent to the original effective date of FIN 48. Given that many nonpublic companies are required to provide financial information to third parties on an interim basis, the application of that interpretation of "adopted," which is based on our understanding of the Board's intent, may significantly reduce the number of nonpublic entities that would be eligible for the deferral. Due to differences in the description of the deferral in the proposed FSP and the Board's related press release, we believe that the Board should clarify its intent regarding the scope of entities that may defer the application of FIN 48.

If the Board decides to expand the scope of entities that would qualify for the deferral, for example by permitting the deferral for all nonpublic entities or all nonpublic entities that have not issued U.S. GAAP financial statements, we believe that the Board should consider changing the definition of a nonpublic entity for this purpose to exclude subsidiaries of public parent companies from the scope of the deferral.

We also believe that the final FSP should require disclosure that the Interpretation has not been adopted by those entities that are eligible for the deferral and elect to delay implementation of FIN 48.



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Assuming the deferral is finalized, the Board should consider a conforming one-year deferral for nonpublic entities in applying FASB Staff Position No. FAS 13-2, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction," to avoid what would amount to early application of FIN 48 by such entities only to their leveraged lease transactions.

If you have any questions concerning our comments or wish to discuss any of the matters addressed herein, please contact Mark Bielstein at (212) 909-5419 or Darryl Briley at (212) 909-5680.

Sincerely,

KPMG LLP