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June 15, 2009

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

Re: Proposed FASB Staff Position No. FIN 48-d “Application Guidance for Pass-through Entities and Tax-Exempt Not-for-Profit Entities and Disclosure Modifications for Nonpublic Entities”

Dear Technical Director:

We appreciate the opportunity to comment on proposed FASB Staff Position No. FIN 48-d, “Application Guidance for Pass-through Entities and Tax-Exempt Not-for-Profit Entities and Disclosure Modifications for Nonpublic Entities.”

We agree with the Board’s decision to eliminate the disclosure requirements in paragraphs 21(a) and 21(b) of Interpretation 48 for nonpublic entities. However, we believe nonpublic entities that would not be required to provide the tabular reconciliation of unrecognized tax benefits and the amount of unrecognized tax benefits that would affect the effective tax rate under the proposed amendments should be required to disclose, at a minimum, the amount of unrecognized tax benefits as of the balance sheet date, in addition to the other remaining disclosure requirements of Interpretation 48.

We agree with the additional application guidance provided in the proposed FSP on defining a tax position and reporting tax positions for entities in consolidated or combined financial statements. That guidance further clarifies the existing provisions of paragraph 4 of Interpretation 48 that “[a] decision to classify a transaction, entity, or other position in a tax return as tax exempt” is a tax position and existing requirements related to the presentation of consolidated or combined financial statements

We also agree with the guidance in the proposed FSP that determination of whether income taxes are attributable to the entity or its owners should be based on the laws and regulations of the taxing authority, rather than on who pays the tax or agreements between the entity and its owners. However, we suggest that the examples in paragraph 26 (a) and (c) of the proposed FSP be clarified to indicate that income of Entity A and

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Entity S is allocated (or passed through) to the owners of the entity and included in taxable income of the owners.

We also believe that the final FSP should clarify the interaction between the FSP and EITF Issue 95-9, *Accounting for Tax Effects of Dividends in France in Accordance with FASB Statement No. 109*. The proposed FSP indicates that the taxing jurisdiction's laws and regulations determine whether income taxes are attributable to an entity or an entity's owners and that attribution determines whether tax effects are presented as income tax expense or classified as a transaction with owners. EITF 95-9 provides that a tax that is assessed on an entity based on the dividends distributed by that entity should be recorded in equity as part of the dividend distribution only when certain conditions are met. Although those conditions in the EITF consensus are more specific than the provisions of the proposed FSP, we believe the conditions are appropriate considerations in determining whether a tax based on dividends distributed is attributable to the entity or its owners under the provisions of the tax law and regulations. The FASB should clarify how the provisions of the proposed FSP impact the EITF consensus.

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

Sincerely,

KPMG LLP