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November 21, 2011

Via email to <a href="mailto:director@fasb.org">director@fasb.org</a>

Susan M. Cosper Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856

RE: Proposed Accounting Standards Update, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU No. 2011-05* 

Dear Ms. Cosper:

We are pleased to provide comments on the proposed deferral of the reclassification adjustments of items recorded in AOCI ("the AOCI deferral"). We agree with the AOCI deferral, as well as the Board's decision to reconsider the costs and benefits of alternative presentation methods for "recycling" certain activity originally recorded in OCI through earnings. While the Board deliberates that topic, we believe it would be appropriate for entities to continue reporting reclassifications on a basis consistent with US GAAP prior to ASU No. 2011-05.

On a related matter, we note the Board proposed another amendment to ASU 2011-05 through the technical corrections exposure draft. For entities that report comprehensive income in two separate but consecutive statements, the Board would require the second statement to begin with net income, a provision that was optional in ASU 2011-05. Originally, the Board decided not to require an entity to present net income at the beginning of the statement of other comprehensive income because that total could be carried over from the previous statement if needed, emphasizing the interdependence between the two statements. It might be useful for the Board to explain its change in thinking, perhaps in a basis for conclusions. In that light, we are concerned many preparers may overlook this change in the technical corrections document and inadvertently err in their initial adoption of ASU 2011-05. Therefore, if the Board finalizes this change, we recommend enhancing its visibility. Greater prominence could be achieved by moving the amendments related to ASU 2011-05 out of the technical corrections document into the final ASU for the AOCI deferral. A similar revision to the title of the AOCI deferral Update may be warranted, if the Board agrees with our suggestion.

We would be pleased to discuss our comments with the FASB staff. Please direct questions to Lee Graul, National Director of Accounting at (312) 616-4667 or Adam Brown, Partner in the National Accounting Department at (214) 665-0673.

<sup>&</sup>lt;sup>1</sup> Proposed Accounting Standards Update, *Technical Corrections* (October 14, 2011)



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BDO USA, LLP

Very truly yours,

BDO USA, LLP