



May 15, 2013

Technical Director – File Reference No. 2013-220
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Comments on Proposed Accounting Standards Update, *Financial Instruments - Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities*

We appreciate the opportunity to comment on the Financial Accounting Standards Board (“Board”) proposal to create a comprehensive framework for the classification and measurement of financial instruments.

Altria Group, Inc. (“Altria”) is a preparer of financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Altria is a large accelerated filer whose common stock securities are registered on the New York Stock Exchange.

Altria is a holding company incorporated in the Commonwealth of Virginia. At March 31, 2013, Altria’s direct and indirect wholly-owned subsidiaries included: Philip Morris USA Inc., which is engaged in the manufacture and sale of cigarettes and certain smokeless products in the United States; John Middleton Co., which is engaged in the manufacture and sale of machine-made large cigars and pipe tobacco, and is a wholly-owned subsidiary of Philip Morris USA Inc.; and UST LLC, which through its direct and indirect wholly-owned subsidiaries is engaged in the manufacture and sale of smokeless products and wine. Nu Mark LLC, an indirect wholly-owned subsidiary of Altria, is engaged in the manufacture and sale of innovative tobacco products for adult tobacco consumers. Philip Morris Capital Corporation, a direct wholly-owned subsidiary of Altria, maintains a portfolio of leveraged and direct finance leases. In addition, Altria held approximately 26.8% of the economic and voting interest of SABMiller plc at March 31, 2013, which Altria accounts for under the equity method of accounting.

Our comments address the proposed changes to Subtopic 323-10: *Investments – Equity Method and Joint Ventures – Overall*. In finalizing the changes to this Subtopic, we suggest that the Board consider clarifying the following:

Page 2
May 15, 2013

1. *Transition Guidance:*

For an investment that initially qualified for the equity method of accounting prior to adoption of the proposed guidance, it is unclear if an entity would be required, upon adoption of the proposed guidance, to evaluate whether it holds the investment for sale using (i) the original date the investment qualified for the equity method accounting or (ii) the effective date of the proposed guidance.

Our interpretation of the proposed guidance is that the evaluation would be performed using the original date the investment qualified for the equity method of accounting.

2. *Subsequent Measurement:*

For an investment that did not satisfy the proposed held-for-sale criteria upon initial qualification for the equity method of accounting, it is unclear whether an entity would be required to subsequently classify such an investment as held for sale if the held-for-sale criteria were later satisfied.

Our interpretation of the proposed guidance is that once an investor initially classified an equity method investment as not held for sale, the investor should not subsequently change classification of the investment.

Sincerely Yours,



Ivan S. Feldman
Vice President and Controller
Altria Group, Inc.