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LETTER OF COMMENT NO 213

committee on corporate reporting

April 1, 2009

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116
Sent by email to director@fasb.org

File Reference: Proposed FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

The Committee on Corporate Reporting ("CCR") of Financial Executives International ("FEI") appreciates the opportunity to share its views on the proposed FASB Staff Position ("FSP") No. FAS 115-a, FAS 124-a, and EITF 99-20-b, *"Recognition and Presentation of Other-Than-Temporary Impairments."* (Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b). FEI is a leading international organization of senior financial executives. CCR is a technical committee of FEI, which reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CCR and not necessarily the views of FEI or its members individually.

We support the Financial Accounting Standards Board (the "FASB") on the proposed changes to the FSP as it relates to impairment indicators and its efforts to expedite the final issuance of this document. We are confident the implementation of the proposed changes will provide decision-useful information and result in a more accurate reflection of companies' financial position in their financial statements. Specifically, the removal of the uncertainty associated with management's assertion of intent and ability to hold impaired securities (i.e. no longer linked to assessment of period of time sufficient to allow for anticipated recovery) will not only prove more operational, but will result in improved comparability across companies.

We also recommend that the Board expand upon the changes to the impairment indicator for securities, particularly equity securities, within Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20b to clarify that the duration of the decline in value of securities below cost does not outweigh management's assertion that it does not have the intent to sell the security and it is more likely than not it will not be required to sell the equity security before its recovery. For example, currently declines in the value of securities below cost that extend beyond nine to twelve months are often concluded in practice to be other-than-temporarily impaired regardless of the prospects of the issuer and management's intent and ability. We believe clarification on such issue within the Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20b would further improve the ease of execution of other-than-temporary impairment assessments.

Further, separation of impairment as proposed provides greater clarity about credit and non-credit components of an other-than-temporary impairment event as well as how to effectively determine

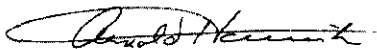
when such an event has occurred. However we do not agree that this information should be presented in the proposed format on the face of the income statement. Presenting this information on the face of the financial statements would add to the complexity of the basic financial statements, potentially rendering them disjointed and incomprehensible. Rather, we believe entities should have the option to present this information in a footnote to the financial statements. Presenting this information in the footnotes will allow entities to provide context around its impairment decision-making and key inputs used.

Although we appreciate the Board's effort in working expeditiously to issue the FSP in response to current market conditions and requests from Congressional leaders, we do express concern on the short period that the public has had to review the proposal and respond with a thorough comment letter, specifically in light of the effective date.

Accordingly, with respect to effective date and transition, considering that any final FSP will be issued in April, we recommend that it should be optional for companies to adopt for the period ending after March 15, 2009 and required for the subsequent quarter end. We believe that companies should be provided the time to properly evaluate the FSP's requirements, and potential reporting and audit implications.

Thank you for considering our comments. If you have any questions or wish to discuss this issue please feel free to contact Lorraine Malonza at 973/765-1047 (lmalonza@financialexecutives.org), Gary Kabureck at 203-849-2630 (Gary.Kabureck@xerox.com) or myself.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Hanish". The signature is fluid and cursive, with a long horizontal stroke at the end.

Arnold Hanish
Chair, Committee on Corporate Reporting
Financial Executives International