



financial executives
international



LETTER OF COMMENT NO. 65

Committee on Private Companies

January 20, 2009

Mr. Russell Golden
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 FSP FAS 107-a

Dear Mr. Golden:

The Committee on Private Companies ("CPC") Standards Subcommittee of Financial Executives International ("FEI") wishes to express its concern about Financial Accounting Standards Board's ("FASB's") proposed FASB Staff Position (FSP) No. FAS 107-a, *Disclosures about Certain Financial Assets: An Amendment of FASB Statement No. 107-a* (the "proposed FSP").

FEI is the leading advocate for the views of corporate financial management in the United States. It is a professional association of more than 15,000 CFOs, treasurers, controllers and other senior financial managers. With approximately 7,500 members from private companies, FEI has a strong base of knowledge to draw upon with regard to the financial reporting needs and requirements of the private sector. The CPC is a technical committee of FEI, which formulates private company positions for FEI in line with the views of the membership. This letter represents the views of the Committee on Private Companies Standards Subcommittee and not necessarily the views of FEI.

We concur with the comment letter filed by the AICPA's Private Companies Practice Section (PCPS) Technical Issues Committee (TIC) ([comment letter 23](#) in the comment file) which recommends that private companies be **exempted** from the proposed FSP. Similar to TIC's findings, and those of the FASB-AICPA Private Company Financial Reporting Committee (PCFRC) ([comment letter 17](#)), we have not seen interest among users of our financial statements in the disclosures as proposed in the FSP. The limited usefulness of the disclosures, combined with the extreme burden of providing such disclosures, would place a needless strain on private company capital formation, in terms of financial resources and management resources.

Additionally, we are concerned about due process with respect to the proposed FSP, in terms of the timing of issuance of the proposal (a week prior to year-end) with a relatively short comment period, and a proposed effective date which would in essence be retroactive.

If FASB decides not to exempt private companies from the proposed FSP, then we recommend the effective date be delayed until, at a minimum (if not longer), annual and interim periods beginning at least one year after the issuance date of the final FSP.

Thank you for considering our comments. If you have any questions or wish to discuss this issue please feel free to contact me at 412/257-3885 or Bill.Koch@ddiworld.com, or Edith Orenstein at FEI 973/765-1046 or eorenstein@financialexecutives.org.

Sincerely,

William Koch
Chair, Standards Subcommittee
Committee on Private Companies
Financial Executives International