From: <u>Gregg Nelson</u>
To: <u>Director - FASB</u>

Subject: Proposed ASU: Real Estate - Investment Property Entities (Topic 973)

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February 8, 2012

Leslie F. Seidman, Chairman Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116 File Reference 2011-210

(sent via e-mail to director@fasb.org)

Proposed ASU: Real Estate – Investment Property Entities (Topic 973)

Dear Ms. Seidman:

The International Business Machines Corporation ("IBM" or "the company") appreciates the opportunity to comment on the proposed Accounting Standards Update: Real Estate – Investment Properties (Topic 973) (the "proposed ASU").

Although this is not a Memorandum of Understanding (MoU) project, we believe that the goal of the FASB should be convergence between U.S. GAAP and IFRS standards wherever possible. We noted in the Basis of Conclusions that the Board rejected adopting the guidance in IAS 40, which allows entities to measure their investment properties either at cost or fair value, due to concerns about consistency in application. In order to allay those concerns, we would recommend that the Board adopt IAS 40 but require the fair value method only with certain practicability exemptions for non-public companies. This would allow closer convergence with IFRS.

In addition, since both Boards have tentatively decided that lessors of investment properties would not be required to apply the receivable and residual approach, we believe that the close relationship between the two projects requires that the Board wait to issue a new standard on investment properties until the leases standard is finalized.

Thank you for your attention on this issue. If you have any questions, please do not hesitate to contact me at 914-766-2008 or at gln@us.ibm.com.

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