



December 21, 2012

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

File Reference No. 2012-250

Dear Ms. Cosper:

McGladrey LLP is pleased to comment on the Proposed Accounting Standards Update, *Balance Sheet (Topic 210), Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* (the "proposed ASU"). We support the decision to clarify that the scope of Accounting Standards Update 2011-11 would be limited to certain derivatives, repurchase agreements, reverse repurchase agreements, and securities borrowing and securities lending transactions. Without this limitation in scope, we believe the costs that would be incurred by certain reporting entities to determine the other types of financial instruments that would be subject to the requirements and to comply with the requirements for these other types of financial instruments would far outweigh any potential benefits. Our responses to the specific questions raised in the proposed ASU follow.

Question 1: The proposed amendments would require an entity to provide the disclosures required by Section 210-20-50 for derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreements. Do you believe that there are other instruments that should be included in the proposed scope that would provide useful information to users of financial statements as it relates to reconciling differences as a result of offsetting between financial statements prepared in accordance with U.S. GAAP and those financial statements prepared in accordance with IFRS?

We are not aware of other instruments that should be included in the proposed scope.

**Question 2:** Do you foresee any significant operability or auditing concerns or constraints in implementing the revised scope of the disclosures based on the proposed amendments in Question 1?

We do not foresee any significant implementation concerns or constraints with the proposed amendments.

We appreciate this opportunity to provide feedback on the proposed guidance and would be pleased to respond to any questions the FASB or its staff may have concerning our comments. Please direct any questions to Rick Day (563-888-4017) or Faye Miller (410-246-9194).

Sincerely.

McGladrey LLP

McGladrey LCP