



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

January 22, 2013

Susan M. Cospers, CPA
Technical Director
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: January 7, 2013 Exposure Draft of a Proposed Accounting Standards Update (ASU), *Financial Instruments (Topic 825): Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities* [File Reference No. 2013-200]

Dear Ms. Cospers:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to represent the views of local and regional firms on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the ED and is providing the following comments for your consideration.

Question 1: *The proposed amendment would clarify the scope and applicability of Topic 825 to make clear that the requirement of paragraph 825-10-50-10(d) to disclose “the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3)” does not apply to nonpublic entities for items that are not measured at fair value in the statement of financial position but for which fair value is disclosed. Do you agree with this clarification?*

TIC agrees with the proposed changes and believes they will improve the financial reporting of nonpublic entities.

Question 2: *Do you agree that the proposed amendment should be effective upon issuance?*

TIC appreciates that this ASU will become effective immediately. TIC understands that this will also result in the need for disclosure checklists to be updated and that this will impact the calendar 2012 financial statements currently being prepared or almost ready to be issued. However, TIC believes the benefits of this change outweigh any related costs.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Karen Kerber". The signature is written in a cursive style with a large initial 'K' and a long, sweeping underline.

Karen Kerber, Chair
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees