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March 25, 2013

Mr. Hans Hoogervorst
Chair
International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH
United Kingdom

Ms. Leslie Seidman
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT
06865-5116
USA

Re: CFA Institute Response to FASB and IASB Proposals on Credit Losses

Dear Mr. Hoogervorst and Ms. Seidman,

The CFA Institute¹ welcomes the opportunity to comment on the Financial Accounting Standards Board's ("FASB") Proposed Accounting Standards Update, *Financial Instruments – Credit Losses (Subtopic 825-15)*, issued on December 20, 2012 with the comment period ending April 30, 2013. We also will comment on the International Accounting Standards Board's ("IASB") proposal, *Financial Instruments: Expected Credit Losses* issued on March 7, 2013 with the comment period closing on July 5, 2013.

We appreciate that both the FASB and the IASB (collectively referred to as the Boards) have been working since the 2008 global economic crisis, to revise and improve their respective standards of accounting for financial instruments including credit impairments. These well-publicized efforts have led to multiple attempts at both individualized and converged solutions resulting in the issuance of the two separate proposals mentioned above. We understand that it may make sense for some stakeholders (i.e., preparers in a particular filing jurisdiction) to comment separately on each proposal. Investors deploy capital globally where comparability among jurisdictions in financial reporting is important. Further CFA Institute membership is global. Accordingly, it is our intention to issue a single response which addresses both models as this is in keeping with our global investor perspective.

Because of the importance of comparability to the analyst and investor community, obtaining investor feedback could be enhanced if the FASB and the IASB jointly developed examples applying their differing methods to the same underlying scenarios. Such an approach would better highlight the specific similarities and differences from a common analytical frame of reference and better enable users to understand the models and provide feedback.

¹ With offices in Charlottesville, New York, Hong Kong, and London, CFA Institute is a global, not-for-profit professional association of more than 108,000 investment analysts, portfolio managers, investment advisors, and other investment professionals in 139 countries, of whom nearly 99,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also includes 135 member societies in 58 countries and territories.

If you, other members of the Boards or your staff have questions or seek further elaboration of our views, please contact either Matthew M. Waldron by phone at +1.212.705.1733, or by e-mail at matthew.waldron@cfainstitute.org, or Sandra J. Peters, CPA, CFA, by phone at +1.212.754.8350, or by e-mail at sandra.peters@cfainstitute.org.

Sincerely,

/s/Sandra J. Peters

Sandra J. Peters, CPA, CFA
Head, Financial Reporting Policy
Standards and Financial Markets Integrity Division

/s/ Tony Sondhi

Ashwinpaul C. Sondhi
Chair
Corporate Disclosure Policy Council

cc: Corporate Disclosure Policy Council