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December 1, 2014

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

File Reference No. 2014-240

Re: Proposed Accounting Standards Update *Technical Corrections and Improvements*

Dear Ms. Cospers:

Deloitte & Touche LLP is pleased to comment on the FASB's proposed Accounting Standards Update (ASU) *Technical Corrections and Improvements*.

We support the Board's commitment to a standing project focused on technical corrections, clarifications, and minor improvements to the *FASB Accounting Standards Codification* (the "Codification"). Limiting the standing project to minor changes that do not significantly affect current practices is the most practical and efficient way to resolve types of technical issues related to the Codification.

We generally agree with, and support finalizing, the proposed technical corrections to the Codification. Appendix A contains our responses to questions for respondents in the proposed ASU and notes a concern about a certain technical correction as well as a suggestion for improving it. Appendix B identifies additional technical corrections that we believe the Board should deliberate and expose for public comment as part of its perpetual technical corrections project.

We appreciate the opportunity to comment on the proposed ASU. If you have any questions concerning our comments, please contact Joe DiLeo at (203) 761-3195.

Yours truly,

Deloitte & Touche LLP

cc: Bob Uhl

**Appendix A
Deloitte & Touche LLP
Responses to Questions**

Question 1: Do you agree with the proposed amendments to the Codification described in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.

We generally agree with the amendments to the Codification described in the proposed ASU. However, as discussed below, we have a concern about a certain technical correction described in the proposal as well as a suggestion for improving it.

Paragraph 45 — Proposed Technical Correction to ASC 505-10-45-2

We agree with the proposed technical correction, which includes (1) removing the phrase “predominant practice” from ASC 505-10-45-2 and (2) adding references to guidance for public entities. However, we suggest that the Board clarify how the amended guidance would apply to nonpublic entities by retaining the notion that an entity generally should present a contribution of equity received through a note (i.e., a noncash contribution) as a reduction of equity rather than as an asset.

Question 2: Will any of the proposed amendments result in substantive changes to the application of existing guidance that would require transition provisions or that the Board should consider in determining the appropriate effective date for the final amendments? If so, please describe.

We do not believe that any of the proposed amendments would either result in substantive changes to the application of existing guidance or require transition provisions.

Question 3: Are there other changes that should be made that are directly or indirectly related to the noted changes? Please note that the Board will conduct technical correction projects on a periodic basis and additional changes may be postponed to a subsequent technical corrections project.

We do not see a need for other changes that are directly or indirectly related to the changes noted in the proposed ASU. However, we believe that the Board should make the additional technical corrections proposed in Appendix B below.

Question 4: The proposed amendments would apply to public and nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?

Please see our response to Question 1 above, which reflects our views on a particular technical correction’s implications for nonpublic entities. Further, we believe that the additional technical corrections proposed in Appendix B should apply to both public and nonpublic entities equally.

Appendix B
Deloitte & Touche LLP
Additional Technical Corrections

We recommend that the Board make the additional technical corrections outlined below.

ASC 325-20 (Investments — Other — Cost Method Investment)

We believe that the term “limited partnership” used in ASC 325-20-35-5 and 35-6 should be amended to “limited liability entity” for consistency with (1) amendments to ASC 323-740 resulting from ASU 2014-01 and (2) the transition provisions in ASU 2014-01.

ASC 835-30 (Imputation of Interest)

Although ASC 835-30-15-2 specifies that ASC 835-30 applies to both receivables and payables, some of the guidance in ASC 835-30 is suitable only for liabilities and not assets; therefore, we recommend certain revisions. Specifically:

- The requirement in ASC 835-30-45-3 to report the amortization of a discount or premium as interest expense is appropriate for a liability but not for an asset (since amortization of an asset’s discount or premium results in interest income). Such guidance contradicts ASC 835-30-35-2, which indicates that the amortization of a discount or premium could generate either interest expense or income. Further, the illustrative example in ASC 835-30-55-8 confirms that ASC 835-30-45-3 is intended to apply to both receivables and payables. Accordingly, we recommend amending ASC 835-30-45-3 to state that (1) amortization of an asset’s discount or premium should be reported as interest income and (2) amortization of a liability’s discount or premium should be reported as interest expense.
- ASC 835-30-45-1 exempts liabilities reported at fair value but not assets. We recommend amending ASC 835-30-45-1 to provide a similar exemption for assets that are reported at fair value in accordance with ASC 825-10.

In addition, we recommend updating the definition of the terms “discount” and “premium” in ASC 835-30-20 to include discounts and premiums arising from the purchase of assets.

Previously Proposed Technical Corrections

We would like to point out that technical corrections related to the following topics proposed in our comment letter dated August 5, 2013, have not yet been made:

- ASC 845, ASC 850, and ASC 905 (Fair Value — Definition 2).
- ASC 932-235-20 (Conduit Debt Securities).
- ASC 325-40-55-1 (Measurement of Beneficial Interests).
- ASC 480-10-55-59 (Embedded Derivative in a Noncontrolling Interest).
- ASC 815-10-55-2 (Derivative Flowchart).
- ASC 505-30-30-8 (Retirement of Treasury Shares).
- ASC 805-740-25-13 (EITF Issue Nos. 86-9 and 94-10).
- ASC 605-25-15-3A(b) (Incomplete Reference).
- ASC 820-10-35-18D (Nonfinancial Derivatives).