



Michael Monahan
Senior Director, Accounting Policy

May 29, 2015

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

Re: *Exposure Draft, Income Taxes (Topic 740): Intra-Entity Asset Transfers, File Reference No. 2015-200-I*

Dear Ms. Cospers:

The American Council of Life Insurers (ACLI)¹ appreciates the opportunity to comment on the FASB's Exposure Draft, *Income Taxes (Topic 740): Intra-Entity Asset Transfers* (the "Exposure Draft"). The update is part of the FASB's ongoing simplification initiative launched in June 2014 to reduce cost and complexity of complying with U.S. Generally Accepted Accounting Standards (GAAP) while maintaining or improving the usefulness of information provided to users of financial statements. Reviewing this issue is clearly an important and expected role of the FASB, and we appreciate the FASB's efforts in this focus on simplification.

Our view is the proposal to remove the exception for recognition of tax effects on the intra-entity transfer of assets does not meet the criteria of simplification. The proposal, in fact, appears to complicate the analysis of deferred tax items. Therefore, the proposed change is not warranted – considering the potential high cost of implementation and maintenance – as there is no real simplification or improvement in clarity for the reader. Please refer to the attached Appendix, which provides responses to the specific Exposure Draft questions for respondents.

Sincerely,

A handwritten signature in black ink, appearing to read "M Monahan", is written over a light blue horizontal line.

Mike Monahan
Senior Director, Accounting Policy

¹ The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with 284 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Learn more at www.acli.com.

