**Proposed Accounting Standards Update, Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Equity Method of Accounting**

Submitted: 8/3/2015 11:06:36 AM

| Question Text | Response |
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| * Please select the type of entity or individual responding to this feedback form. | Preparer |
| Other, please specify (Specified) | |
| * Please provide contact information for any follow-up questions. | (Filled in as Follows:) |
| Organization * | BB&T Corporation |
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| Should accounting for the basis difference of equity method investments as if the investment were a consolidated subsidiary be eliminated? Why or why not? Would amortization of the entire basis difference through equity method earnings be preferable? If so, what would be the suggested amortization period?: | The current accounting of proportionate fair value and related amortization can be very complex and onerous and does not add decision useful information for investors. Further we believe it is appropriate to allow any basis difference existing at the time of adoption to become part of the cost basis of the investment, which is subject to future impairment testing. We do not believe requiring the remaining basis difference to be amortized through equity method earnings would be preferable as any such period would be determined arbitrarily and would not portray the economics of the investment. |

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| Should the accounting for capitalized interest, which adds to the basis of an entity's equity method investment and is amortized, also be eliminated for equity method investments? Why or why not?: | |
| Should an entity be required to apply the proposed amendments related to accounting for the basis difference on a modified prospective basis as of the effective date? Why or why not?: | BB&T believes it would be appropriate to allow an entity to apply the proposed amendments of the Exposure Draft related to the accounting for the basis difference on either a modified prospective basis or retrospective basis. While the modified prospective basis would allow for the simplicity of adopting the new guidance, the retrospective basis would allow an entity the opportunity to restore the investment to original costs in the event it is anticipated the extra basis may result in a future impairment. This may prevent a future impairment being recorded through earnings simply as a result of a change in accounting where the additional basis would not have been recorded had the investment originally been recorded at cost. |
| Should an entity no longer be required to retroactively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest? Why or why not?: | No longer requiring retroactive adoption of the equity method of accounting as a result of an increase in ownership interests, also removes a lot of complexity and costs without affecting the usability of the financial statements. While retroactively restating prior amounts to reflect the equity method of accounting may improve comparability as it related to the investment, it does not reflect the economics of the investment as it relates to the investor at those times as the investor would not have had significant influence over the investment during those prior periods. Therefore we believe it is appropriate to apply the equity method on a prospective basis when the investment is increased. |

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| Should the proposed guidance to eliminate the requirement to retroactively adopt the equity method of accounting be applied prospectively? Why or why not?: | We believe it is appropriate that this guidance be applied prospectively, consistent with a modified prospective adoption of the guidance for the basis difference. |
| How much time will be necessary to adopt the | BB&T does not believe the adoption of the amendments in this exposure draft would require a significant time investment. |
| amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?: | permit the early adoption of this guidance as it would prevent unnecessary costs and complexity related to new equity method investments prior to the effective date that would not provide any meaningful information to the financial statement users. |
| Would the proposed amendments meet the objective of the Simplification Initiative, which is to improve GAAP by reducing cost and complexity while maintaining or improving the usefulness of the information provided to users of financial statements? Why or why not?: | As noted above, we believe the proposed amendments will achieve the objectives of simplification while maintaining useful information. |

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| Please provide any additional comments on the proposed Update: | BB&T supports these proposed changes. We believe the proposed changes provide relief in both cost and complexity to the financial statement preparers while maintaining the usefulness of the information provided to the users of the financial statements. |
| Please provide any comments on the electronic feedback process: | |