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January 22, 2016

Via email

Russell G. Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: File Reference No. 2015-330: Proposed Accounting Standards Update, *Business Combinations (Topic 805) Clarifying the Definition of a Business*

Dear Mr. Golden:

Wells Fargo & Company (Wells Fargo) is a diversified financial services company with over \$1.7 trillion in assets providing banking, insurance, investments, mortgage, and commercial and consumer finance services. We appreciate the opportunity to comment on the FASB's Proposed Accounting Standards Update: *Business Combinations (Topic 805) Clarifying the Definition of a Business* ("The Proposal").

While we are supportive of the Board's efforts to clarify and simplify the definition of a business, we note that we have not experienced significant difficulty in evaluating acquisitions under existing guidance and believe that our framework has produced consistent accounting. Nevertheless, we are concerned with the proposed guidance that suggests that an acquisition does not represent a business if substantially all of the purchase price is concentrated in the fair value of a single identifiable asset or group of similar identifiable assets. In circumstances where an acquisition consists primarily of financial assets, it may be necessary to initially measure the financial assets at an amount that does not represent fair value. As a consequence, financial assets that are subsequently measured at fair value must be remeasured immediately after acquisition to properly reflect the assets' fair value. Similarly, any difference between the purchase price and the assets' fair value would result in an effective interest rate that may not reflect the assets' economic return.

The Proposal acknowledges that the existence of a significant premium is a strong indicator that a business has been acquired. However, this guidance may only be considered if the purchase price is not concentrated in a single identifiable asset or group of similar identifiable assets. To avoid situations where acquired financial assets are initially measured at an amount that does not represent fair value, i.e., because the initial measurement includes amounts that should be ascribed to goodwill, we

Mr. Russell G. Golden, Chairman
January 22, 2016
Page 2

recommend that the FASB exclude acquisitions that consist primarily of financial assets from the “substantially all” threshold.

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We appreciate the opportunity to comment on the Proposal and are willing to work with the FASB as you proceed with further deliberations on the topic. If you have any questions, please contact me at 415-222-3119 or Mario Mastrantoni at 704-383-9678.

Sincerely,

/s/ Richard D. Levy

Richard D. Levy
Executive Vice President & Controller