



The Capital Group Companies, Inc.
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February 29, 2016

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

File Reference No. 2015-350

Re: Proposed Accounting Standards Update, *Disclosure Framework—Changes to the Disclosure Requirement for Fair Value Measurement*

The Capital Group Companies, Inc. (referred to herein as “Capital” or “we”) is a privately held investment management company. We appreciate the opportunity to comment on the Financial Accounting Standards Board (FASB or the “Board”) Proposed Accounting Standards Update *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (the “Proposed ASU”). These comments are informed by our experience as preparers of the audited financial statements of Capital and its affiliated companies, and do not reflect the views of Capital’s investment professionals nor the views of our investment company financial statement preparers.

As private-company financial statement preparers, we support the Board’s efforts to improve the effectiveness of fair value disclosures in the notes to financial statements. We believe the private company exemptions provided in the Proposed ASU fulfill the Board’s objective for the disclosure framework project: “to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communications of the information required by generally accepted accounting principles (GAAP) that is **most important to users** of each entity’s financial statements” (emphasis added). We applaud the steps the FASB is taking with this proposed ASU, but ask that the Board address the following:

1. It is not clear whether the disclosures required in ASC 820-10-50-2H should be made for each class of asset or in the aggregate, because the paragraph refers back to ASC 820-10-50-2(c). We believe disclosures of purchases and issues as well as transfers into and out of Level 3 in the aggregate would be sufficient for private company financial statements users. In addition, we believe the Board intended to require aggregated disclosure, and aggregation is consistent with the Private Company Decision Making Framework as mentioned in paragraph BC27 of the Proposed ASU.
2. The use of two different defined terms: nonpublic entity and private company creates unnecessary complexity for financial statement preparers and auditors. While we understand the evolution of these defined terms and the related “public business entity,” we encourage the FASB to take this opportunity to ensure consistent terminology is used throughout the fair value disclosure requirements. We believe the private company definition is most appropriate.

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In addition to the above, we ask that the Board permit early adoption. While certain new public company disclosure requirements will take time to implement, those not impacted by such disclosures (e.g., private companies) will incur little cost yet significant benefit from the adoption of the proposed changes to fair value disclosure requirements.

Please feel free to contact me should you have any questions or wish to discuss our comments on the current proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Meikle". The signature is fluid and cursive, with a large initial "B" and "M".

Bruce Meikle
Senior Vice President and Principal Financial Officer
The Capital Group Companies, Inc.