



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

Re: *Part 1. Accounting Standards Update No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities of the Proposed Accounting Standards Update, Technical Corrections and Improvements to Recently Issued Standards (File Reference No. 2017-300)*

Dear Technical Director:

Regions Financial Corporation appreciates the opportunity to comment on *Part 1. Accounting Standards Update No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* of the proposed ASU, *Technical Corrections and Improvements to Recently Issued Standards*. We support the Board's efforts to make stand-alone technical corrections and improvements to the Accounting Standards.

Regions, with approximately \$123 billion in assets, provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of asset management, wealth management, securities brokerage, insurance, trust services, merger and acquisition advisory services and other specialty financing. We serve customers across the South, Midwest and Texas, and through our subsidiary, Regions Bank, operate approximately 1,600 banking outlets.

We support each of the proposed amendments and Codification improvements included in the technical correction. Additionally, we have provided direct and indirect related feedback we encourage the Board to consider. These suggestions are included in our response to Question 3 of the Questions for Respondents, which are included in the Appendix to this letter.

We thank you in advance for considering our views. If you have any questions about our comments or wish to discuss this matter further, please contact me at (205) 264-4640 or at chad.fooshee@regions.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad K. Fooshee".

Chad K. Fooshee
Assistant Corporate Controller

Appendix - Responses to Selected Questions for Respondents

Question 1: The proposed amendments are intended to improve the clarity of the guidance in Update 2016-01. Would the proposed amendments clarify that guidance? If not, please explain which proposed amendment(s) would not provide clarification, and why.

Yes. We believe that the amendments in the technical correction represent improvements to Update 2016-01 and would clarify that guidance along with other changes directly and indirectly related to the proposed amendments explained below.

Question 2: Will any of the proposed amendments result in substantive changes to the application of Update 2016-01 that would require transition provisions or an effective date for the final amendments other than as noted in the Summary section “When Would the Amendments Be Effective?” If so, please describe.

No. We believe that the proposed amendments and other changes proposed within this letter, clarify guidance in a manner that is helpful to implementation efforts and are minor in nature. Therefore, we do not believe the proposed amendments would require extended transition provisions or an alternative effective date.

Question 3: Should other changes be made that are directly or indirectly related to the proposed amendments? Please note that the Board will conduct Codification improvements projects on a periodic basis and additional changes may be postponed to a subsequent Codification improvements project.

Yes. We suggest that the Board consider including additional clarifications in the final ASU.

Clarification of Issue 6 and application of Observable Transactions

While *Issue 6* of the technical correction addresses questions stakeholders have regarding the application of prospective transition when applying the measurement alternative, the proposed amendment should be more explicit in the guidance for consideration of historical observable transactions and their application at transition date. We believe the transition guidance should allow for recent historical observable transactions occurring *prior to* the effective date. Allowing a reasonable and supportable look-back period for the identification of recent observable transactions more closely aligns with the application of *Topic 820 – Fair Value Measurements*. We believe this would consistently apply all the aspects of the new guidance, in particular the application of historical observable transactions, to individual equity securities of similar types and more closely align to a fair value concept.

Additionally, the application of the measurement alternative relies on many qualitative and quantitative considerations when evaluating the impact of observable transactions. Even though Update 2016-01 describes considerations for adjustments in applying the measurement alternative, we believe illustrative supporting examples addressing typical application issues would be valuable to stakeholders in the adoption of this guidance. The concept of 'observable transactions' and adjustments to non-marketable equity investments when electing the measurement alternative in a manner that more closely approximates fair value measurement is 'contemporaneous' accounting and not before applied to these types of assets. Consequently, we believe significant inconsistencies among interpreters of Codification could be mitigated with the inclusion of illustrative examples.