



2 Court Square, 15<sup>th</sup> Floor  
Long Island City, NY 11101

December 4, 2017

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

***File Reference No. 2017-280***

Dear Ms. Cospers:

Citigroup appreciates the opportunity to comment on the Exposure Draft of the proposed Accounting Standards Update (“ASU” or the “Exposure Draft”), *Consolidation (Topic 812) Reorganization*.

We commend the efforts of the Board to reorganize and clarify certain aspects of the consolidation guidance. We agree with the Board’s proposal to create separate subtopics for the variable interest entity (VIE) and voting interest entity (VOE) guidance. We understand creating two separate subtopics may create duplicative guidance in each; however, we think this is the most practical approach to develop a user-friendly format for the Codification. Overall, these changes will make the VOE and VIE guidance easier to understand and navigate.

Consistent with the Board’s expectations, we do not anticipate changes in the accounting or consolidation conclusions as a result of these amendments. To simplify transition in accordance with these expectations, we suggest that Board consider a prospective transition requirement in order to mitigate potential costs of standards implementation.

In conjunction with this comment letter, please see our comments on the proposed ASU, *Consolidation (Topic 812): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, as our comments in that letter may result in further simplification of the VIE subtopic.

We would be pleased to discuss our comments with you at your convenience. Please feel free to call me at (347) 648-7721.

Sincerely,

A handwritten signature in blue ink that reads "Robert Traficanti". The signature is written in a cursive, slightly slanted style.

Robert Traficanti  
Global Head of Accounting Policy