January 29, 2018

Russell G. Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2018-210

Submitted via electronic mail to director@fasb.org

Dear Chairman Goldman,

The Committee on Corporate Reporting ("CCR") of Financial Executives International ("FEI") appreciates the opportunity to comment on Proposed Accounting Standards Update – *Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. We commend the FASB staff and Board for their responsiveness to the questions and concerns raised by preparers in the wake of the historic enactment of the Tax Cuts and Jobs Act ("the Act").

FEI is a leading international organization representing approximately 10,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior-level financial executives. CCR is a technical committee of FEI, and reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. CCR member companies represent approximately $8.6 trillion in market capitalization and actively monitor the standard-setting activities of the FASB.

This letter represents the views of CCR and not necessarily the views of FEI or its members individually.

Reclassification and Transition Requirements

CCR is supportive of the proposed amendment to require entities to reclassify, from accumulated other comprehensive income to retained earnings, the stranded tax effects resulting from the newly enacted corporate tax rate. CCR supports the approach to apply this reclassification retrospectively to each of the periods in which the effect of the Act is recognized. Such an approach is consistent with current requirements to record the tax effects of changes in tax laws and/or rates in the period in which the legislation is enacted.

We support the option to early adopt this guidance because financial statement users may benefit from an alignment of the timing of this reclassification with the income statement effect that would be recorded in the 2017 financial statements. We also believe that early adoption allows companies to proceed with the approach that best suits their specific efforts and timeline for implementation.

Backwards Tracing

CCR is supportive of the FASB adding a project to its agenda researching the merits of backwards tracing. However, we would only support a proposal which would permit this practice **optionally**, as we believe it should not be mandated. The significance of the impact of stranded tax effects varies by company and by industry. Therefore we do not believe the benefits of backwards tracing would outweigh the resulting costs and effort for many preparers.

FASB Staff Questions & Answers

We commend the FASB for drafting FASB staff Question and Answer (Q&A) interpretations to address certain key implementation issues related to the Act. These interpretations will be a helpful resource to companies as they move forward with their implementation.

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Should you have any questions, we welcome the opportunity to discuss our comments further.

Sincerely,

Mick Homan

Mick Homan
Chairman
Committee on Corporate Reporting
Financial Executives International