



December 15, 2016

Rebecca Villmann, CPA, CA, CPA (Illinois)
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2

RE: Proposed Accounting Standards for Private Enterprises - Exposure Draft on 2017 Annual Improvements to Accounting Standards for Private Enterprises

Dear Ms. Villmann:

The Committee on Corporate Reporting (CCR) of Financial Executives International Canada (FEI Canada) is pleased to respond to your request for comment on the Exposure Draft on the Proposed 2017 Annual Improvements to Accounting Standards for Private Enterprises.

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and more than 1,600 members, FEI Canada provides professional development, thought leadership and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors and senior executives in the Finance, Controller, Treasury, and Taxation functions, represents a significant number of Canada's leading and most influential corporations.

CCR is one of seven thought leadership committees of FEI Canada. CCR is devoted to improving the awareness of issues and educating FEI Canada members on the implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

In general, CCR agrees with the proposals in the Exposure Draft. Answers to the specific questions from the invitation to comment together with alternative views are included in the Appendix.

Thank you for the opportunity to respond to this Exposure Draft.

Yours truly,

Susan Campbell
Chair - Committee on Corporate Reporting

**FEI CCR Comment Letter to the Accounting Standards Board
Invitation to Comment on Proposed Accounting Standards for Private Enterprises Exposure
Draft on 2017 Annual Improvements to Accounting Standards for Private Enterprises
December 2016**

As per your request, our comments have been aligned to the specific questions posed on page iii of the Exposure Draft on 2017 Annual Improvements to Accounting Standards for Private Enterprises.

1. Subject to our comment below, we agree with the proposed amendments to DISCLOSURE OF ACCOUNTING POLICIES, paragraph 1505.08, to clarify that the disclosure of accounting policies should be provided in one of the first notes to the financial statements.

Our comments take into consideration the need for financial statements to provide the most relevant information to its users. Under certain circumstances other notes may be sufficiently important that they should take precedence. For example, when there is significant doubt about the entity's ability to continue as a going concern, or due to a change in ownership subsequent to the end of the fiscal period.

2. We agree with the proposed amendments to ACCOUNTING CHANGES, paragraph 1506.34(e) and 1506.35(c), that would now require disclosure of the amount of an adjustment related to an accounting policy change "for each of the prior period(s) presented" and remove the requirement for the "current period".
3. We agree with the proposed amendments to BALANCE SHEET, Section 1521, to clarify the existing presentation and disclosure requirements related to assets under capital lease, as well as clarify the requirements of Section 1521, as they relate to the presentation and disclosure requirements of other standards in Part II of the Handbook.
4. We agree with the proposed amendments to FOREIGN CURRENCY TRANSLATION, paragraph 1651.53, to remove the requirement that precludes previously recorded write-downs of inventory from being reversed in the translated financial statements of an integrated foreign operation.
5. We agree with the proposed amendments to LEASES, paragraph 3065.81, to clarify the disclosure requirements for impaired operating lease receivables.

Timing of adoption and transitional provisions.

1. We agree with the proposed effective date of January 1, 2018.
2. The outcome of proposed amendment 2 above, will determine if the application will be applied retrospectively.

In addition to our responses to your specific questions above, we have the following comments.

- a) Regarding the proposal to amend 1651.53, it is realistic to expect exchange rates will continue to fluctuate such that the circumstances that previously caused inventories to be written down are merely temporary. Also, the original requirement presents inventory values at the lower and therefore conservative values. Therefore, it may be more practical to require the adoption of this amendment as a policy choice.



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- b) Regarding the proposed changes to paragraph 1506.34(e) and 1506.35(c), at the time the original results were reported, users would have made informed decisions with respect to; compliance with shareholder agreements and management contracts, compliance with loan covenants, completed regulatory filings, including tax returns etc. We trust that these factors were taken into consideration when developing the amendments.
