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June 1, 2012

Peter Martin, CA
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario
M5V 3H2

Re: Exposure Draft – 2012 Improvements to Accounting Standards for Private Enterprises

The Committee on Corporate Reporting of the Financial Executive International Canada ("FEI Canada") is writing to provide its response to the Accounting Standards Board ("AcSB") Exposure Draft ("ED") 2012 Improvements to Accounting Standards for Private Enterprises March 2012.

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and more than 2,000 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.

The Committee on Corporate Reporting ("CCR") is one of two national advocacy committees of FEI Canada, CCR is devoted to improving the awareness and educational implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

As outlined below, we are supportive of the proposed amendments in the ED.

In response to the ED questions specifically:

1) Do you agree with the proposed amendments to INCOME STATEMENT, Section 1520, to eliminate inconsistencies with other standards in Part II of the Handbook?

   We agree with the proposed amendments to Section 1520 to ensure it is consistent with other standards in Part II of the Handbook.

   We suggest that the first point under Section 1520.03(b)(ii) be divided into two, one for income from investments subject to significant influence measured using the cost method (with a reference to Section 3051) and one for income from investments measured at cost or amortized cost (with a reference to Section 3856).

   We note that purpose of the standard as stated in Section 1520.01 ("establishes the line items to be separately presented in the income statement") is not consistent with 1520.04, which permits note disclosure of the listed items.

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We note that Section 3064 currently requires separate income statement presentation of goodwill impairment, but the proposed amendments permit note disclosure of goodwill impairment, without separate income statement presentation. We suggest the proposed Section 1520 be amended to be consistent with Section 3064.

We suggest that the proposed Section 1520.03(e) be amended to "Results of discontinued operations, less applicable income taxes" for consistency with the terminology for income statement presentation requirement in Section 3475.

2) Do you agree with the proposed amendment to BUSINESS COMBINATIONS, Section 1582, to extend the exception to expensing acquisition costs to the cost of issuing debt securities?

   We agree with the proposed amendment to Section 1582. We are supportive of consistent accounting treatment for the cost of issuing either equity or debt securities. We suggest that at the end of paragraph 55, the words "with one exception" be replaced with "with the following exceptions:", and the references for costs to issue debt and equity securities be listed separately in sub paragraphs.

3) Do you agree with the proposal to amend SUBSIDIARIES, Section 1590, to clarify that when a subsidiary is accounted for using the equity or cost method, acquisition costs and contingent consideration should be accounted for on the same basis as if the subsidiary were consolidated?

   We agree with the proposed amendments to Section 1590. We are supportive of consistent treatment of acquisition costs and contingent consideration, regardless of the accounting policy choice made for subsidiaries (consolidate, cost method or equity method). We suggest similar changes to the wording of paragraph 16A(b) as suggested above for Section 1582.

   In paragraph 16A(a), we suggest that "fair value at the date of acquisition" be replaced with "acquisition-date fair value" to be consistent with the terminology in Section 1582 paragraph 41. Alternatively, in Section 1582 paragraph 41, "acquisition-date fair value" could be amended to be consistent with the terminology "fair value at the date of acquisition" in the proposed Section 1590 paragraph 16A(a).

   We also suggest that paragraph 16A(a) clarify that an obligation is recognized for contingent consideration as defined in Section 1582, and the guidance in Section 1582 paragraph 42 (classification as a liability or equity) should be followed.

4) Do you agree with the proposed changes to FOREIGN CURRENCY TRANSLATION, Section 1651, to be consistent with NON-CONTROLLING INTERESTS, Section 1602, and to clarify the accounting for foreign exchange gains and losses that are accumulated in a separate component of shareholders' equity?

   We agree with the proposed amendments to Section 1651 to ensure consistency with Section 1602.

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5) Do you agree with the proposed amendment to INVESTMENTS, Section 3051, to provide guidance on the accounting for dilution gains and losses?

   We agree with the proposed amendments to Section 3051. We are supportive of consistent treatment of dilution gains and losses whether the investee is accounted for with the cost method or the equity method.

We appreciate your consideration of the comments made in this letter and welcome the opportunity to further discuss any and all matters related to the ED.

Yours very truly,

Sean Carleton
Chair
Committee on Corporate Reporting
FEI Canada