

April 22, 2013

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

By e-mail: director@fasb.org

**Re: Proposed Accounting Standards Update – Derivatives and Hedging (Topic 815):
*Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a
Benchmark Interest Rate for Hedge Accounting Purposes (a consensus of the FASB
Emerging Issues Task Force)***

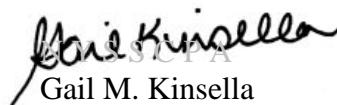
(File Reference No. EITF-13A)

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact J. Roger Donohue, Chair of the Financial Accounting Standards Committee at (917) 887-7809, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,


Gail M. Kinsella
President



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**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED ACCOUNTING STANDARDS UPDATE – DERIVATIVES AND HEDGING
(TOPIC 815): INCLUSION OF THE FED FUNDS EFFECTIVE SWAP RATE (OR
OVERNIGHT INDEX SWAP RATE) AS A BENCHMARK INTEREST RATE FOR
HEDGE ACCOUNTING PURPOSES (A CONSENSUS OF THE FASB EMERGING
ISSUES TASK FORCE)**

(FILE REFERENCE NO. EITF-13A)

April 22, 2013

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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update – Derivatives and Hedging (Topic 815): *Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes (a consensus of the FASB Emerging Issues Task Force)*

General Comments

The Financial Accounting Standards Committee of the New York State Society of Certified Public Accountants has reviewed the Proposed Accounting Standards Update, Derivatives and Hedging (Topic 815), *Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes (a consensus of the FASB Emerging Issues Task Force)* (the Update). We agree that the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) should be included as a U. S. Benchmark interest rate for hedge accounting purposes. As the marketplace reliance on and use of the Fed Funds Effective Rate (OIS) has increased, we agree that the accounting guidance should be updated to include the Fed Funds Effective Rate as a benchmark interest rate for derivatives and hedging.

Specific Comments

We have the following responses to the questions provided in the Update:

Question 1: Do you agree that the Fed Funds Effective Swap Rate (OIS) should be included as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to UST and LIBOR? Why or why not?

Response: We believe that the proposed addition of the Fed Funds Effective Swap Rate (OIS) to the current benchmarks of the U.S. Treasury Rate and LIBOR rate would represent an improvement in the accounting. We believe the addition of OIS, which is used by the marketplace, would result in a valuation more consistent with the marketplace and the concept of fair value.

Question 2: Do you agree that no additional disclosure should be required? If not, please explain why.

Response: Yes, we agree that additional disclosure should not be required.

Question 3: Do you agree that the proposed amendments only should be applied on a prospective basis for qualifying new or redesignated hedging relationships? If not, please explain why.

Response: Yes, the proposed amendments should be applied on a prospective basis only for qualifying new or redesignated hedging relationships.

Question 4: Should the effective date of the amendments in the proposed Update coincide with the issuance date of a final Update? If not, when should the amendments be effective? Please explain why.

Response: Yes, the effective date of the amendments in the proposed Update should agree with the issuance of the final Update.

Question 5: If the effective date of the amendments in the proposed Update does not coincide with the issuance date of a final Update, should early adoption be permitted? If not, please explain why.

Response: We believe that if the effective date of the amendments in the proposed Update does not coincide with the issuance date of a final Update then early adoption should be permitted.