

June 30, 2008

Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

**Re: Proposed FSP FAS 133-b and FIN 45-c—*Disclosures about Credit Derivatives
and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB
Interpretation No. 45 (issued 05/30/08)***
File Reference: Proposed FSP FAS 133-b and FIN 45-c

Dear Mr. Golden:

The New York State Society of Certified Public Accountants, representing 30,000 CPAs in public practice, industry, government and education, submits the following comments to you regarding the above captioned release. The NYSSCPA thanks the FASB for the opportunity to comment.

The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed staff position and drafted the attached comments. If you would like additional discussion with us, please contact Edward P. Ichart, Chair of the Financial Accounting Standards Committee, at (516) 488-1200, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



Sharon Sabba Fierstein
President

Attachment



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

**COMMENTS ON PROPOSED FSP FAS 133-b AND FIN 45-c — *DISCLOSURES
ABOUT CREDIT DERIVATIVES AND CERTAIN GUARANTEES: AN
AMENDMENT OF FASB STATEMENT NO. 133 AND FASB INTERPRETATION
NO. 45 (ISSUED 05/30/08)***

File Reference: Proposed FSP FAS 133-b and FIN 45-c

June 30, 2008

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**Robert A. Dyson
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New York State Society of Certified Public Accountants

Financial Accounting Standards Committee

Comments on Proposed FSP FAS 133-b and FIN 45-c—*Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45* (issued 05/30/08)

General Comments

We agree with most of the provisions of this proposed FSP. The disclosures required by this proposed FSP would improve financial reporting.

We are concerned, however, that FASB Statement 133, *Accounting for Derivative Instruments and Hedging Activities*, has been and is expected to be modified by so many pronouncements, that the original statement itself is ineffective. Although FAS 133 was issued only ten years ago, the list of subsequent pronouncements that affect it runs for many pages. In addition, both this proposed FASB Staff Position (“FSP”) and Proposed Statement of Financial Accounting Standards, “*Accounting for Hedges*,” will affect FAS 133.

We believe that the need for so many modifications indicates that the Board should consider issuing an entirely new pronouncement to address derivative instruments and hedging activities. As noted in the summary of the proposed FSP, the Board may consider a longer term project to improve disclosures about all financial instruments in the future. We fully support that project as a preferred solution over numerous additional amendments to FASB Statement 133. Also, we endorse the greater convergence with IFRS 7, *Financial Instruments: Disclosures*, that a project of that type would enable.

Our Society always appreciates the opportunity to comment on proposed rules and interpretations. We remain concerned about the potential impact of an FSP such as this on mainstream accounting and how short the comment periods are within which to respond. We would hope that the timing of a release and timetable for responses to a particular FSP continues to get proper consideration by the Board.

Specific Comment

Paragraph 11 of the proposed FSP requires similar disclosures for sellers of credit derivatives that are substantially similar to those currently required for guarantors under paragraph 13 of Interpretation 45. We note that the current market for derivatives does not always identify the counterparty which is necessary to assess the payment/performance risk, thereby creating a situation which would make obtaining such information onerous.