



The Association of
Accountants and
Financial Professionals
in Business

December 11, 2012

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

File Reference No. 2012-250

Dear Ms. Cospers,

The Financial Reporting Committee (FRC) of the Institute of Management Accountants (IMA) is writing to provide its views on the proposed Accounting Standards Update (ASU), *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. We very much appreciate the Financial Accounting Standards Board's (FASB) efforts in addressing the issues raised by us in our meeting with the Board on September 21, 2012 and we believe that the proposed ASU resolves the unintended scope issue.

The FRC is the financial reporting technical committee of the IMA. The FRC includes preparers of financial statements for some of the largest companies in the world, representatives from the world's largest accounting firms, valuation experts, accounting consultants, academics, and analysts. The FRC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations.¹

The FRC agrees with the Board's proposed scope limitation to provide disclosures only for derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreements. We do not believe that there are other instruments that should be included in the proposed scope that would provide useful information to users of financial statements. Further, we do not believe that there are significant operability or auditing concerns or constraints in implementing the revised scope of the disclosures.

To the contrary, we believe that the scope limitation cures significant operability or auditing concerns that were present in the unintended inclusion of trade receivables and trade payables subject to a standard commercial provision allowing either party to net in the event of default and broker-dealer receivables and payables from unsettled regular-way trades subject to a master netting arrangement or similar agreements.

¹ Additional information about the IMA Financial Reporting Committee can be found at www.imanet.org under Advocacy Activity.



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The FRC also supports the effective date for the proposed ASU for annual periods beginning on or after January 1, 2013, and interim periods within those periods.

Again we appreciate the Board's timely consideration of our comments. We thank the Board and Staff for their efforts in addressing the issues posed by ASU 2012-250.

Sincerely,

A handwritten signature in blue ink that reads "N. Schroeder".

Nancy J. Schroeder
Chair, Financial Reporting Committee
Institute of Management Accountants