



The Association of
Accountants and
Financial Professionals
in Business

September 18, 2018

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

Re: File Reference No. 2018-270, Proposed Accounting Standards Update (ASU), *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*

Dear Ms. Cospers:

The Financial Reporting Committee (FRC) of the Institute of Management Accountants (IMA) is writing to share its views on the Financial Accounting Standards Board's (FASB or Board) Exposure Draft of Proposed ASU, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*.

The IMA is a global association representing over 100,000 accountants and finance team professionals. Our members work inside organizations of various sizes, industries and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities, and multinational corporations. The FRC is the financial reporting technical committee of the IMA. The Committee 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. Additional information on the FRC can be found at www.imanet.org (About IMA, Advocacy, Financial Reporting Committee).

We support the one-year deferral of the effective date for nonpublic business entities to apply Update No. 2016-13 – *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* to align those nonpublic business entities' implementation date with the implementation date for their interim financial statements. In addition, the Board's clarification that receivables arising from operating leases are not within the scope of Topic 326 is important and we support the clarification to the Codification.

The implementation of Topic 326 is a very intensive and costly effort for many entities and we commend the Board for reacting to the various accounting interpretation and implementation issues that have been raised by stakeholders to ease the implementation. Our members would like to emphasize the ongoing need for the Board to continue to deliberate implementation issues in a timely manner to allow for the effective implementation of Topic 326.

Sincerely,

A handwritten signature in blue ink, appearing to read "N. Schroeder", is written over a light blue horizontal line.

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