

June 17, 2010

Robert H. Herz, Chairman Financial Accounting Standards Board 401 Merritt 7 P.O. Box 4116 Norwalk, CT 06856-5116

Dear Mr. Herz:

The Financial Reporting Committee ("FRC") of the Institute of Management Accountants ("IMA") is writing to share its views on the forthcoming Exposure Draft, *Disclosures about Loss Contingencies* (the ED). Specifically, we ask that the Board give constituents more time to comment on the proposal before it is finalized. Our reasoning is provided below.

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.

We applaud the Board's recent announcement that, together with the IASB, it will be revising its work plan for the convergence projects. As noted in the joint press release issued last week "...stakeholders have voiced concerns about their ability to provide high-quality input on the large number of major Exposure Drafts planned for publication in the second quarter of this year." While we understand and agree that the project on Disclosures about Contingencies is addressing important issues, we do not feel that a 30-day comment period, during this very busy time period, provides sufficient time for key constituents to consider fully and respond appropriately and thoughtfully to the revised proposal. Further, while we understand the desire to issue the guidance in time for 2010 reporting, we strongly believe (based on our understanding of the proposed content) that even if a final standard were issued shortly, most companies would not be in a position to complete a high-quality adoption of the standard for 2010 annual filings.

We very much appreciate the effort that the Board and staff have put into improving the disclosure model for contingencies. We believe that the proposal is heading in the right direction but is not without flaws. We think it would be in the best interest of both the Board and constituents if the remaining issues with the proposal (principally those related to disclosures that would be helpful to plaintiffs) were considered by as broad an audience as can be assembled to ensure that, once issued as a final standard, issuers are able to provide the required information about such contingencies. We believe that a 30-day comment period will not allow that to happen and therefore recommend a comment period of at least 60 days. We also recommend deferral of the effective date to 2011.





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We have also heard that the Board may be planning a 30 day comment period for the exposure draft on Fair Value Measurement. As a general matter, other than technical corrections and emerging issues, we believe that 30-day comment periods should not be used, as such a short time significantly impairs the effectiveness of the Board's due process. We appreciate the Board's consideration of our comments. I can be reached at (513) 983-6666 if you have any questions regarding this letter.

Sincerely,

Mick Homan

Chair, Financial Reporting Committee Institute of Management Accountants