September 25, 2012

To: Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via Email: director@fasb.org

Re: Proposed Accounting Standards Update, *Disclosures About Liquidity Risk and Interest Rate Risk*
File Reference No. 2012-200

Thank you for the opportunity to comment on the Proposed Accounting Standards Update *Financial Instruments (Topic 825): Disclosures about Liquidity Risk and Interest Rate Risk* ("Proposed ASU").

I work in an external reporting function at a publicly traded technology company. The views presented below are my own and do not necessarily represent those of my employer or any of my colleagues.

Responses to selected questions accompanying the Proposed ASU are presented below.

Question 2: For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

I foresee significant concerns in subjecting this volume of forward-looking information to the liability associated with filed financial statements and footnotes. Please consider the case of an SEC registrant whose timing of cash flow obligations is the same under an expected maturity guideline as under a contractual maturity guideline; in other words, the cash flow obligations tables in the financial statement footnotes and MD&A would be identical, except for the difference in aggregation of time periods. In this situation, if the cash flow obligations table is found to contain a material but unintentional misstatement, the ability of the registrant to use the safe harbor provision for the nearly identical information provided in MD&A may be compromised. Additionally, the volume of information required to be audited will increase, further increasing costs of time for both auditors and preparers of these disclosures.

Another operational concern is the requirement to report the cash flow obligations table on an interim basis, particularly as it pertains to the disclosure of purchase obligations. While I do not believe that the cash flow obligations table should be disclosed in the footnotes, if it is ultimately required to be disclosed I respectfully request that for interim reporting only material changes from the annual disclosure be required to be disclosed.

Question 4: The proposed amendments would require a quantitative disclosure of an entity's available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

While I foresee difficulties in designing a procedure for assessing whether available liquid funds are *high quality*, I believe such procedures can be designed. My chief concern with this requirement is that it is in some sense a converse of existing disclosure requirements that potentially leads to confusion in application. For example ASC 320-10-50-6 and 50-7 require disclosure of investments in debt and equity securities that have been in a continuous unrealized loss position. Admittedly, the focus of the proposed requirements in this question is *high quality* liquid assets, whereas the requirements in ASC 320-10-50-6 and 50-7 are focused on securities in loss positions. However, requiring multiple different views of an entity's investment portfolio that would now be mandated by the combination of existing guidance and the Proposed ASU raises several questions. For example, if an investment previously deemed to be a *high quality* liquid asset subsequently enters an unrealized loss position, is it necessarily no longer a *high quality* liquid asset?

Before requiring the disclosures cited in this question independent from other existing and related disclosure requirements, I respectfully suggest that consideration be given as to whether there is a way to incorporate disclosures of an entity's liquid funds into a more cohesive single set of disclosures.

Question 6: As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to develop an understanding of your entity's exposure to liquidity risk? If not, what other information would better achieve this objective?

Regardless of whether the proposed amendments produce the outcome envisaged in this question, I am concerned by the timing of this Proposed ASU in relation to the Disclosure Framework project.[1] Perhaps the best way to assist users in developing an understanding of an entity's exposure to liquidity risk would be to first finalize and issue a disclosure framework that would guide preparers in providing the appropriate level of disclosures for their respective entities.

I am concerned that the release of Accounting Standards Updates ("ASUs") that primarily, or solely, require additional disclosures[2] contemporaneous with activity on the Disclosure Framework project either signals a lack of commitment to the Disclosure Framework initiative, or is an attempt by the FASB to channel stuff disclosure requirements ahead of the finalization of the Disclosure Framework so that at least the incremental disclosure requirements are "on the books." I respectfully request that the FASB proceed to complete the Disclosure Framework project before issuing additional ASUs that primarily, or solely, require additional disclosures.

Question 22: Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC's current disclosure requirements for public companies

[1] File Reference No. 2012-220.
[2] In addition to the Proposed ASU, ASU 2011-11 appears to contain only incremental disclosure requirements.

without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

I believe that the requirements in Proposed ASU 825-10-50-23M may overlap with the SEC's current disclosure requirements for public companies without providing incremental information and respectfully suggest that the FASB conduct additional research to understand the level of compliance with existing SEC requirements.

The FASB stated in the Proposed ASU Basis of Conclusions paragraph 33 that "[t]he SEC's requirements stipulate that a reporting entity should present financial liabilities at their contractual maturities." While it may be true that the SEC requires disclosure according to contractual maturity, Regulation S-K states that "[t]he tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other pertinent data to the extent necessary for an understanding of the timing and amount of the registrant's specified contractual obligations."[3] Thus, if SEC registrants are already observing the guidance in Regulation S-K, it is foreseeable that the disclosures required by the Proposed ASU could be duplicative of those in Regulation S-K.

Respectfully submitted,

Rick Snow, CPA

[3] Regulation S-K Item 303 paragraph 5.