Ford Motor Company ("Ford"), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. We file consolidated financial statements with the SEC reflecting two business sectors, Automotive and Financial Services, and for year-end 2015 we reported under IFRS in 23 countries.

We support the intent of the Board’s project, Clarifying Certain Existing Principles on Statement of Cash Flows. We agree that by providing specific guidance on the cash flow classification and presentation of changes in restricted cash and restricted cash equivalents could reduce diversity in practice.

To further the goal of reducing diversity in practice, we highly recommend that the Board include a definition for restricted cash and restricted cash equivalents. For example, given the absence of a clear definition, preparers find it challenging to differentiate between restricted cash and cash equivalents from deposits required in accordance with a financing agreement or funds in escrow. Guidance that explicitly defines restricted cash and restricted cash equivalents would provide preparers of financial information a basis for consistent application.

This proposed standard more closely aligns with the cash flow guidance related to restricted cash provided in IAS 7. We support efforts made by the FASB and IASB that align their respective standards for financial reporting.

We appreciate the Board’s consideration of our views.

Sincerely,

Susan M. Callahan
Director, Americas Accounting and Global Accounting Policy
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