March 8, 2019

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

Re: File Reference No. 2019-100, Proposed Accounting Standards Update (ASU), Targeted Transition Relief for Topic 326, Financial Instruments – Credit Losses

Dear Ms. Cosper:

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, Targeted Transition Relief for 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 proposed amendments in the Proposed ASU to elect the fair value option for certain financial assets previously measured at amortized cost. We agree that the election should be irrevocable and with the flexibility afforded by the instrument by instrument basis.

As we have said, the implementation of Topic 326 is a very intensive and costly effort for many entities. We commend the Board for continuing to deliberate implementation issues in a timely manner to allow for the efficient and cost-effective implementation of Topic 326.

Sincerely,

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