



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

Re: File Reference No. 1650-100

Dear Sir,

The Financial Reporting Committee ("FRC") of the Institute of Management Accountants ("IMA") is writing to provide its views on the Proposed Statement of Financial Accounting Standards, *Going Concern*. The FRC is comprised of representatives from preparers of financial statements of the largest companies in the world, the largest accounting firms in the world, valuation experts, accounting consultants as well as academics. 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 support the Board's decision to carry forward, with certain modifications, the guidance in AU Section 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern", into a separate Statement of Financial Standards and agree with the Board's observation that the proposed modifications to AU Section 341 would not be expected to result in any significant changes to current practice. However, while we agree that all available information about the future should be considered in assessing whether an entity is a going concern, we believe there are practical limitations on the ability to predict how long an entity will continue in existence. Therefore, we strongly suggest that the one year window be retained and that the new standard only require an evaluation of whether there is substantial doubt about whether the entity will continue as a going concern for a reasonable period of time, not to exceed one year from the date of the financial statements. If the Board is concerned with significant known events or conditions that occur just beyond one year, then such events or conditions and any other extenuating circumstances that call into question the future viability of the company beyond the one year period should be handled with additional disclosure in the financial statements.

We appreciate the Board's consideration of these matters and welcome the opportunity to discuss any and all related matters.

Sincerely,

Mick Homan
Chair, Financial Reporting Committee
Institute of Management Accountants