

Memo No. **Cover Memo**

Memo

Issue Date **March 23, 2017**

Meeting Date(s) **PCC Meeting April 4, 2017**

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Project	Liabilities & Equity—Targeted Improvements
Project Stage	Redeliberations
Issue(s)	Private Company Council Update

Purpose of This Memo

1. In December 2016, the Board issued proposed Accounting Standards Update, *Distinguishing Liabilities from Equity (Topic 480): (Part I) Accounting for Certain Financial Instruments with Down Round Features, and (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. The proposed Update was open for comment until February 6, 2017.
2. At its meeting on March 22, 2017, the Board discussed the comment letter feedback received on the proposed Update. Attached to this cover memo are the following documents from that Board meeting:
 - (a) Appendix A: Board Meeting Handout that provides a summary of the comment letter feedback received on the proposed Update
 - (b) Appendix B: Tentative Board Decisions