

MEMO# 25132

April 21, 2011

Draft Comment Letter Regarding IASB and FASB Staffs' Proposal to Eliminate "Cash Equivalents"

[25132]

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 25-11
ACCOUNTING/TREASURERS COMMITTEE No. 5-11 RE: DRAFT COMMENT LETTER REGARDING
IASB AND FASB STAFFS' PROPOSAL TO ELIMINATE "CASH EQUIVALENTS"

On July 1, 2010, the staffs of the International Accounting Standards Board ("IASB") and the Financial Standards Accounting Board ("FASB") issued a draft of an exposure draft for the Boards' joint project to develop a standard on financial statement presentation ("paper").

[\[1\]](#) One of the Boards' proposed changes is the elimination of the concept of "cash equivalents" which would mean such instruments would be presented in "short-term investments." Generally cash equivalents are short-term, highly liquid instruments such as treasury bills, commercial paper, short-term certificates of deposit and money market funds.

The paper reflects the tentative decisions of the Boards; however, they are engaging in additional outreach activities before publishing an exposure draft. Although the Boards are not formally inviting comments, they welcome input from interested parties. We understand work on this matter will occur over the summer.

We have prepared a draft comment letter. Please contact Greg Smith (gsmith@ici.org, 202-326-5851), Susan Olson (solson@ici.org, 202-326-3813) or Jane Heinrichs (jheinrichs@ici.org, 202-371-5410), by Friday, May 6, if you have any questions or comments on the draft letter.

Susan Olson
Senior Counsel - International Affairs

[Attachment](#)

endnotes

[1] Staff Draft of Exposure Draft IFRS X Financial Statement Presentation (July 1, 2010) available at http://www.ifrs.org/NR/rdonlyres/1CCDE163-47FF-4563-A6DD-5A7EFA80E08/0/FSP_standard_BC_and_guidance.pdf

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