

MEMO# 5160

September 16, 1993

AICPA TASK FORCE ON BIFURCATION OF REALIZED AND UNREALIZED GAINS AND LOSSES ON FOREIGN SECURITIES

September 16, 1993 TO: ACCOUNTING/TREASURERS COMMITTEE NO. 28-93 RE: AICPA TASK FORCE ON BIFURCATION OF REALIZED AND UNREALIZED GAINS AND LOSSES ON FOREIGN SECURITIES _____ As you know, Statement of Position 93-4 "Foreign Currency Accounting and Financial Statement Presentation for Investment Companies" permits, but does not require the foreign currency rate change component of realized and unrealized gains and losses from investments in foreign securities to be reported separately. At the adoption of the SOP, the AICPA Investment Companies Committee committed to form a task force to evaluate the relevance of the information that would be provided by bifurcation, and to explore other approaches to reporting this information if deemed necessary to help financial statement users assess foreign currency effects. A task force composed of preparers, auditors, regulators and users has been formed. The Institute is assisting the task force by distributing the attached questionnaire to members of the Accounting/Treasurers Committee and collecting the responses. Robert Carucci of Scudder, Stevens & Clark and Mary Cremin of Capital Research and Management are members of the task force. If you have any questions or require further information please contact Robert (617/526-0096) or Mary (714/671-7217). Please complete the questionnaire and return it to the Institute by mail or fax no later than October 12, 1993. Please mail your completed questionnaire to the undersigned at the address above or fax it to 202/293-1058. The survey results will be summarized at the November 9 meeting of the Accounting/Treasurers Committee. Thank you for your prompt attention to this request. Gregory M. Smith Director - Operations/Compliance

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