
Project	Financial Instruments: Impairment
Topic	Cover Paper – Education Session

Background

1. In November 2009 the IASB published the exposure draft *Financial Instruments: Amortised Cost and Impairment* (the ED). The ED proposed requirements for amortised cost measurement which included expected credit losses for financial assets. The 8-month comment period ended on 30 June 2010 and the IASB received 192 comment letters.
2. The IASB also conducted extensive outreach that started with a staff *Request for Information* posted on the IASB website in June 2009. In addition the IASB, together with the FASB, set up an Expert Advisory Panel (EAP) consisting of credit risk and other experts to consider the operational aspects of the proposed approaches.
3. During July and August, the IASB discussed the feedback received and how the proposed impairment approach might be changed in the light of that feedback.

This paper has been prepared by the technical staff of the IFRS Foundation and the FASB for discussion at a public meeting of the FASB or the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the FASB or the IASB.

Comments made in relation to the application of U.S. GAAP or IFRSs do not purport to be acceptable or unacceptable application of U.S. GAAP or IFRSs.

The tentative decisions made by the FASB or the IASB at public meetings are reported in FASB *Action Alert* or in IASB *Update*. Official pronouncements of the FASB or the IASB are published only after each board has completed its full due process, including appropriate public consultation and formal voting procedures.

This education session

4. For this education session, the following papers (which are copies of agenda papers the IASB discussed at their July and August 2010 meetings) have been provided:
 - (a) Agenda paper 13A: Comment Letter Summary;
 - (b) Agenda paper 13B: EAP Feedback; and
 - (c) Agenda paper 13C: User Feedback Summary.
5. In addition, the diagram below sets out the key features of the EL approach. Next to each key feature of the EL approach are variations to that key feature suggested by respondents to the ED and feedback from outreach activities. Agenda papers discussing the details of this approach, and applicable interactions with other layers, were discussed by the IASB during the 3 August 2010 meeting¹.
6. The purpose of this education session is to help the FASB understand the feedback the IASB has received.

¹ See agenda papers 4A and 4B of that meeting.

