
Staff Paper

Project **Financial Instruments: Impairment**Topic **Cover memo**

1. In January 2011, the International Accounting Standards Board (IASB) and US-based Financial Accounting Standards Board (FASB) issued the joint supplementary document *Financial Instruments: Impairment (SD)* – a supplement to their original exposure drafts (original EDs) which addressed the impairment of financial assets¹. The comment period for the SD ends 1 April, 2011.
2. During the comment period, using feedback already received, the boards are discussing issues related to the original EDs that are not within the scope of the SD. Decisions made by the boards during the comment period will be updated, if necessary, based on feedback received and the outcome of other redeliberations related to the SD.
3. Two papers will be discussed at separate education sessions followed by a joint board meeting. The papers for this meeting are:
 - (a) IASB AP 4A/FASB memo 79 – accounting for purchased debt instruments subject to impairment
 - (b) IASB AP 4B/FASB memo 80 – estimating expected losses

¹ The original IASB ED *Financial Instruments: Amortised Cost and Impairment* (original IASB ED), was issued in November 2009. The FASB Proposed Accounting Standard Update *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities* (original FASB ED) was issued in May 2010, and included proposals for the impairment of financial assets.

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.