

STAFF PAPER

20 June 2016

FASB | IASB Meeting

Project	Goodwill and impairment		
Paper topic	Cover Paper		
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This paper has been prepared for discussion at a public meeting of the Financial Accounting Standards Board and International Accounting Standards Board. It does not represent the views of the Boards or any individual member of either Board. Technical decisions are made in public and reported in FASB Action Alert or in IASB Update.

Objective of this meeting

1. This meeting is intended to be a joint education session between the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) for:
 - (a) the staff of the two Boards to provide an update on their respective projects since the last joint meeting in September 2015; and
 - (b) Board members to have a discussion and provide feedback on the project approaches and project summaries presented by the staff.

Summary of meeting papers

2. IASB staff papers:
 - (a) **IASB Agenda Paper 18A** Progress report: Goodwill and other intangible assets in a business combination
 - (b) **IASB Agenda Paper 18B** Progress report: Improving the impairment requirements

The International Accounting Standards Board is the independent standard-setting body of the IFRS Foundation, a not-for-profit corporation promoting the adoption of International Financial Reporting Standards. For more information visit www.ifrs.org

The Financial Accounting Standards Board (FASB), is the national standard-setter of the United States, responsible for establishing standards of financial accounting that govern the preparation of financial reports by nongovernmental entities. For more information visit www.fasb.org

3. FASB staff papers:

- (a) **FASB Memo 5** - Identifiable Intangible Assets in a Business Combination for Public Business Entities and Not-for-Profit Entities
- (b) **FASB Memo 9** - Accounting for Goodwill for Public Business Entities and Not-for-Profit Entities
- (c) **FASB Memo 7** – Accounting for Goodwill Impairment

Introduction

- 4. The IASB and the FASB both have active projects covering the following three topics related to goodwill and impairment:
 - (a) Identification of intangible assets acquired in a business combination
 - (b) Subsequent accounting for goodwill
 - (c) Improving the impairment requirements
- 5. IFRS 3 *Business Combinations* of the IASB and Statement 141R *Business Combinations* (codified in Topic 805 of the Accounting Standards Codification) of the FASB are converged standards. However, the IASB and FASB do not have converged requirements for impairment of non-financial assets. Constituents of both Boards have expressed a desire to remain converged where possible.
- 6. In September 2015 the Boards held a joint session to have an initial discussion about their respective projects. At that meeting it was decided that the Boards would continue to monitor each other's work during the subsequent months and decide how to proceed.

Questions**Goodwill and other intangible assets in a business combination**

- 1) Do Board members have any questions or feedback on the project approaches and project summaries for goodwill and other intangible assets set out in Agenda Papers

18A and FASB Memos 5 and 9?

Impairment requirements

- 2) Do Board members have any questions or feedback on the project approaches and project summaries for impairment set out in Agenda Papers 18B and FASB Memo 7?