

STAFF PAPER

July 2017

IASB[®] Meeting

Project	Goodwill and Impairment research project		
Paper topic	Cover paper		
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Objective of this meeting

1. The objective of this meeting is to update the Board about feedback from recent meetings of Capital Markets Advisory Committee (CMAC), Global Preparers Forum (GPF) and Accounting Standards Advisory Forum (ASAF) and discuss the possible approaches in the light of the feedback from the consultative groups.
2. In June 2017, the staff sought feedback from the joint group of members of CMAC and GPF on:
 - (a) possible relief from the mandatory annual quantitative impairment testing of goodwill by removing the requirement for entities to test goodwill for impairment when there are no indicators of possible impairment (an ‘indicator-based approach’); and
 - (b) possible improvements to the disclosure requirements about acquired businesses and goodwill.
3. In July 2017, the staff is seeking feedback from Accounting Standards Advisory Forum (ASAF) on:
 - (a) the indicator-based approach; and
 - (b) the possible approach of using a single method, ie either fair value less costs of disposal or value in use, as the sole basis for determining recoverable amount.

4. The agenda papers for this Board meeting provide an updated analysis of the possible approaches on which the staff sought feedback from the joint CMAC–GPF group. The staff will provide an oral update to the Board about the feedback from ASAF.

Agenda Papers for this meeting

5. This cover paper accompanies the following agenda papers:
 - (a) **Agenda Paper 18A—Summary of discussions to date:** This paper (i) explains the objectives and scope of the Goodwill and Impairment research project; (ii) summarises the Board’s discussions to date; and (iii) sets out the staff’s tentative plan for making decisions on the research project.
 - (b) **Agenda Paper 18B—Simplifying the impairment testing model in IAS 36:** This paper discusses the indicator-based approach to testing goodwill for impairment in the light of the feedback from CMAC and GPF.
 - (c) **Agenda Paper 18C—Improving disclosures about goodwill and impairment:** This paper discusses possible improvements to the disclosure requirements about goodwill and impairment in the light of feedback from CMAC and GPF.
 - (d) **Agenda Paper 18D—Other approaches for improving the impairment testing model:** This paper provides a high-level analysis of the possible approaches to improve the effectiveness of the impairment testing model discussed by the Board to date. This agenda paper is for information only and provides the necessary context for the staff’s oral update of the feedback from ASAF.