

STAFF PAPER

October 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 discuss:
 - (a) possible approaches to improve effectiveness of impairment testing of goodwill;
 - (b) possible simplifications of impairment testing of goodwill; and
 - (c) possible improvements to the disclosures about goodwill and impairment
2. The Board has not yet discussed these possibilities. This is an education session and the Board is not being asked to make any decisions.

Agenda Papers for this meeting

3. 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; and
 - (ii) summarises the Board's discussions to date.
 - (b) **Agenda Paper 18B—Improving effectiveness of impairment testing model:** This paper sets out the staff's current thoughts on possible approaches that might improve effectiveness of the model for

impairment testing of goodwill and to seek the Board’s feedback on those approaches.

- (c) **Agenda Paper 18C—Simplifying the impairment testing model in IAS 36:** This paper contains analysis of possible simplifications of impairment testing of goodwill.
- (d) **Agenda Paper 18D—Improving disclosures about goodwill and impairment:** This paper sets out the analysis of new possible approaches for improving disclosures about business combinations, goodwill and impairment suggested by a few members of the Board’s consultative groups.

Next steps

4. The staff proposes the following plan:

December 2017	<ul style="list-style-type: none"> • Identify next steps—for example whether to develop a Discussion Paper. • Discuss subsequent accounting for goodwill—whether amortisation of goodwill should be reintroduced. • Make decisions on: <ul style="list-style-type: none"> ○ the Board’s preferred approaches for: <ul style="list-style-type: none"> ▪ simplifying impairment testing of goodwill; ▪ improving effectiveness of impairment testing of goodwill; and ▪ improving the quality of information provided to investors about goodwill and impairment. ○ whether amortisation of goodwill should be reintroduced.
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February 2018	Possible approaches to simplify identification of intangible assets separately from goodwill in a business combination.
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