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Ford Motor Company

Technical Director – File Reference No. 2016-230
Financial Accounting Standards Board
401 Merritt 7
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VIA EMAIL: director@fasb.org

File Reference: Comments on Exposure Draft, Simplifying the Accounting for Goodwill Impairment

Ford Motor Company (“Ford”), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. We file consolidated financial statements with the SEC and, for year-end 2015, we reported under IFRS in 23 countries. We appreciate the opportunity to comment on the Exposure Draft “Simplifying the Accounting for Goodwill Impairment.”

We support the Board’s proposal to simplify the accounting for goodwill impairment by removing Step 2 from the impairment test and allowing a one-step impairment test for all reporting units, including those with zero or negative carrying amounts.

We agree with the Board’s intent to provide greater transparency by providing users of the financial statements information regarding reporting units with zero or negative carrying amounts that do not record an impairment charge under the quantitative impairment test. However, we encourage the Board to clarify the disclosure requirement proposed in paragraph 350-20-50-1A which reads “Entities that have one or more reporting units with zero or negative carrying amounts shall identify those reporting units and disclose the amount of goodwill allocated to each.” As the proposed disclosure requirement presently reads, it is unclear whether an entity would have to disclose if it has reporting units with zero or negative carrying amounts even if those specific units do not have goodwill. We believe disclosing reporting units with zero or negative carrying amounts is only relevant if it relates to the goodwill quantitative impairment test. Therefore, we propose adding language to clarify only reporting units that have goodwill would require disclosure.

The proposed move to a one-step impairment test more closely aligns with the one-step impairment testing required under IAS 36; however, we urge the members of the Board to work with members of the IASB in order to converge the impairment test and the level at which that testing is performed. We strongly support the continued effort of the Board to reduce complexity in financial reporting and encourage you to continue working with members of the IASB in an effort to establish a single, high-quality financial reporting framework that can be applied globally.

We appreciate the Board's consideration of our views.

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Callahan".

Susan M. Callahan
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