

Record ID: 636035169058923360

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Accounting Firm/Auditor	Completed
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Henry & Peters, P.C.	
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Phone number	9035976311	
Do you agree with the proposed amendments to eliminate Step 2 from the goodwill impairment test? Why or why not?	Yes. This is an appropriate simplification.	Completed
Should the requirement to perform Step 2 of the current goodwill impairment test be retained as an option? Why or why not? If the use of Step 2 is optional, should an entity be allowed to apply that option by reporting unit or should it be a policy election at the entity level applicable to all reporting units?	No, leaving this as an additional option will add confusion in the marketplace and introduce two definitions of impairment which would not necessarily result in similar impairments.	Completed

<p>Do you agree with the proposed amendments to require all entities to apply the same one-step impairment test to all reporting units, including those with zero or negative carrying amounts? Why or why not? If not, what would be the suggested goodwill impairment test for reporting units with zero or negative carrying amounts?</p>	<p>Yes, I agree that all entities should apply the same process for all reporting units regardless of the carrying value of the unit. I do not see the need for additional disclosure of reporting units with negative carrying amount since there is no current requirement (other than SEC segment reporting) for reporting any other information on a unitary reporting basis. As for SEC reporting</p>	<p>Completed</p>
<p>Should entities with reporting units with zero or negative carrying amounts be required to disclose the existence of those reporting units and the amount of goodwill allocated to them? Why or why not? Are there additional disclosures that would provide useful information to users of financial statements?</p>	<p>No. See discussion above.</p>	<p>Completed</p>
<p>Should the guidance on deferred income tax considerations when determining the fair value of a reporting unit outlined in paragraphs 350-20-35-25 through 35-</p>		<p>Completed</p>

<p>27 and illustrated in Example 1 and Example 2 be retained, or should this Subtopic rely on the fair value guidance in Topic 820? If the guidance on the tax structure is retained, what, if any, amendments are necessary to address the potential difference in the impairment charge calculated under the proposed amendments, depending on which tax structure is used in calculating the fair value of the reporting unit?</p>		
<p>Do you agree that the proposed guidance to remove Step 2 from the goodwill impairment test should be applied prospectively? Should there be specific transition guidance for companies that previously adopted the goodwill accounting alternative for private companies in current GAAP but decide to adopt this proposed guidance after it becomes effective?</p>	<p>Yes, this should be applied prospectively. Transition guidance should be included for all entities regardless of whether they have elected to amortize goodwill.</p>	<p>Completed</p>
<p>How much time would be necessary to adopt the amendments in this</p>	<p>The time necessary to adopt the amendments should be limited to education as the methodology for valuation is already established in valuation techniques.</p>	<p>Completed</p>

<p>proposed Update? Should early adoption be permitted? Would the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?</p>		
<p>Would the proposed amendments meet the Board’s objective of reducing the cost of the subsequent accounting for goodwill while maintaining the usefulness of the information provided to users of financial statements? Why or why not?</p>	<p>Yes, this should reduce the cost of subsequent goodwill measurement while securing the decision usefulness.</p>	<p>Completed</p>
<p>Are there additional changes that should be made to the subsequent accounting for goodwill to meet this objective, including changes that might be considered in Phase 2 of the Board’s project?</p>	<p>Yes. I think that there could be an ordering issue with impairing other intangible or long-lived assets. Under the 2 step approach, these items are specifically looked at and potentially impaired in the process. However, under a single step approach, the carrying value of the reporting unit, which includes these items is compared to the fair value and the difference is impaired to goodwill. Should these items be reviewed for impairment prior to applying step one or should these items be reviewed form impairment only after goodwill was fully impaired and the carrying value impairment was still more than the fair value. This is related to an issue identified by the board in the draft on page 41 paragraph BC17 which supported a two-step option which observed that there are differences in the definition of impairment.</p> <p>I would argue that there was already differences in the definitions of impairment prior to this and that all you need is an ordering rule placed in all three sections. Then you do not need to revise the concept of impairment in the other two. I believe that it makes sense to look first to goodwill, then other intangibles and then other long-lived assets</p>	<p>Completed</p>

	<p>based upon tangibility (or residual value of the reporting unit) to assign impairment. I also believe that if a step one quantitative analysis of goodwill is performed, and impairment, if any, is assigned accordingly, then additional impairment review other intangible or long-lived assets should not be necessary.</p> <p>Please note that my suggested ordering rules opinion is not consistent with what is written in the same paragraph BC17 (last sentence) which says that the other impairment tests should be applied prior to goodwill.</p>	
<p>Are there any unintended consequences resulting from the improvements to the Overview and Background Sections of the Subtopics (discussed in Part II of the proposed amendments)?</p>	<p>See number 9 above.</p>	<p>Completed</p>
<p>Please provide any additional comments on the proposed Update:</p>		<p>Completed</p>
<p>Please provide any comments on the electronic feedback process:</p>	<p>Thank you for continuing to look for ways to simplify and reduce the cost of accounting standards.</p>	<p>Completed</p>
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly</p>	<p>Not Answered</p>	<p>Not Answered</p>

<p>available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>		
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