Please note that the comments expressed herein are solely my personal views

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05 May 2011

- File Reference No. 2011-180
- Intangibles – Goodwill and Other (Topic 350)
- Testing Goodwill for Impairment

Dear Sir.

Thank you for giving us the opportunity to comment on your Exposure Draft: Intangibles – Goodwill and Other (Topic 350); Testing Goodwill for Impairment.

Proposal

The proposed amendments in this update would allow an entity to first assess qualitative factors in order to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, and therefore whether it is necessary to perform the two-step quantitative goodwill impairment test currently required under Topic 350. This option is very useful and will allow entities to streamline reporting processes and reduce costs and complexity. In practice entities will almost certainly need to perform a high level estimate of the fair value of the reporting unit in order to support the “more likely than not” conclusion. But this option is still helpful in this regard.

Qualitative factors – events and circumstances

I agree that the proposed examples of events and circumstances to be assessed are sufficient and complete, and therefore adequate. For completeness I would only suggest that you should explicitly mention brand loyalty, suppliers and technological issues in point a and possible tax related issues in point b.
Answers to other specific questions raised by the FASB

**Question 1:**
I have worked as preparer and user of financial statements, and I have also carried out ad hoc internal auditing for various entities. My primary business is financial and other services.

**Question 7:**
Yes, I agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear and workable.

**Question 8:**
Yes, I agree with the Board’s decision to make the proposed amendments applicable to both public and non-public entities. There is no rationale for reducing the scope here.

**Question 9:**
I agree with the proposed effective date provisions, including early adoption. There should be no implementation problems here given the narrow scope of the proposed amendments to Topic 350.

Yours faithfully

Chris Barnard