

International Association of Consultants, Valuators and Analysts

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24 April 2012

Financial Accounting Standards Board 401 Merritt 7, PO Box 5116
Norwalk, Connecticut 06856-5116
By email: director@fasb.org
File Reference No. 2012-100

Madam, Gentlemen,

This letter of comment is submitted on behalf of the IFRS committee of the International Association of Consultants, Valuators and Analysts (IACVA), a member of the International Valuation Standards Council (IVSC) and the World Association of Valuation Organizations (WAVO). We are a knowledge transfer and credentialing organization with Charters, issued or pending, covering 54 countries with nearly 10,000 members; they are mainly involved in business valuation and fraud deterrence.

As a worldwide organization, we are extremely concerned with the development of the accounting standards related to valuation especially in Canada (an IFRS country), where we are incorporated, as well as in the United States, which has at the moment, a majority of our members.

We appreciate the opportunity to comment on the FASB Exposure Draft "Testing Indefinite-Lived Intangibles Assets for Impairment". Our responses to the questions in this document are as follows:

Question 1: Please describe the entity or individual responding to this request. For example:

a. Please indicate whether you primarily are a preparer, user, or auditor of financial statements or, if other, please specify.

IACVA is an association of users of financial statements but our members also assist preparers in estimating Fair Values of assets for purchase price allocation or impairment testing.

b. If you are a preparer of financial statements, please indicate whether your entity is public or nonpublic and describe your primary business and its size (in terms of annual revenue, the number of employees, or other

relevant metric). In addition, include a description of the type of indefinite-lived intangible assets held by your entity.

Many of our over 10,000 members in 54 counties assist preparers in undertaking impairment tests under IFRS as well as US and other national GAAP's.

c. If you are an auditor, please describe the size of your firm (in terms of number of partners or other relevant metric) and indicate whether your practice focuses primarily on public entities, nonpublic entities, or both.

Not applicable to our members.

d. If you are a user of financial statements, please indicate in what capacity (for example, investor, analyst, or rating agency) and where in the capital structure you are most focused (for example, debt or equity).

As valuators, our members depend completely on their analysis of financial statements to estimate the Fair Values of debt securities and other obligations as well as the Fair Value, Fair Market Value or Market Value, as the case may be, of equity instruments.

Question 2: For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

In assisting preparers, we believe that the proposed amendments (other than 350-30-50-3A) will reduce overall costs and complexity. We see no benefit with respect to costs and complexity in the addition of 350-30-50-3A.

Question 3: For preparers, do you expect that your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the quantitative impairment test? Please explain.

When assisting preparers, we will recommend to our members to apply a qualitative assessment as an initial process as we believe that this is a useful first step.

Question 4: For auditors, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why. Does your response differ based on whether the entity is public or nonpublic?

Not applicable to our members.

Question 5: For users, how do you believe that the optional qualitative approach for evaluating indefinite-lived intangible assets for impairment will affect the timing of the recognition of impairment losses? Additionally, will the optional qualitative approach affect how you evaluate indefinite-lived intangible assets reported in the financial statements? If yes, please explain.

It appears likely that the optional qualitative assessment may defer the recognition of impairment charges. In our view, this is not necessarily detrimental as in analyzing financial statements we prefer the approach under IFRS of allowing reversals of impairment losses when circumstances change.

Question 6: Do you agree that the examples of events and circumstances in paragraph 350-20-35-3(a) through (e) are helpful in assessing whether significant inputs to the fair value measurement have changed significantly to indicate that it is more likely than not that an indefinite-lived intangible asset is impaired? If not, what additional examples of events and circumstances do you suggest?

We find the examples of 350-20-35-3C (a) through (e), to be useful but they should not be considered definitive as there are often other non-entity specific national or legal factors that may also apply.

Question 7: Do you agree that nonpublic entities should be exempt from disclosing quantitative information about significant unobservable inputs used in measuring the fair value of an indefinite-lived intangible asset as required in paragraph 820-10-50-2(bbb), as amended by Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs? If not, please explain why.

We do not see any reason for non-public entities to be exempt from disclosing quantitative information about any significant unobservable inputs they have used in measuring fair values. This omission does not reduce costs, or complexity and would exclude easily available, very significant material in assessing the reliability of the Fair Value conclusion.

Question 8: Do you agree with the proposed effective date provisions? If not, please explain why.

We disagree with the effective date provisions in that the update should be effective on publication.

Should a Board or staff member wish to discuss this matter further, you may contact me during normal business hours (Eastern Time) at 416-865-9766.

Respectfully submitted on behalf of the IFRS Committee of IACVA Per

James P. Catty, MA, CA•CBV, CPA/ABV, CVA, CFA, CFE Chair

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