

**Identifiable Intangible Assets and Subsequent Accounting for Goodwill
Tentative Board Decisions to Date
as of April 15, 2021**

Topic	Decisions Reached	Meeting Date
<p><i>Identifiable Intangible Assets from a Business Combination and Goodwill Amortization</i></p>	<p>The Board discussed the staff's research and analysis on (1) subsuming certain identifiable intangible assets in a business combination into goodwill and (2) factors entities could consider when estimating the useful life of goodwill if they choose to deviate from the default period and how such factors might affect the specifics of a potential cap on the amortization period.</p> <p>The Board directed staff to perform additional research and outreach related to:</p> <ol style="list-style-type: none"> 1. Users' perspectives on what types of intangibles provide decision-useful information. The Board will use the results from users in future discussions on whether certain identifiable intangibles should be subsumed into goodwill as well as whether certain intangibles should be recognized separately from goodwill. 2. Certain factors that may be used to estimate the useful life of goodwill, including management's estimated payback period. 	<p align="center">April 7, 2021</p>
<p><i>Amortization</i></p>	<p>The Board discussed the staff's research and analysis on goodwill amortization periods and methods for an impairment-with-amortization model, as well as evolving amortization models in which the subsequent accounting for goodwill changes over time. The Board decided that:</p> <ol style="list-style-type: none"> 1. An entity should amortize goodwill on a straight-line basis; an evolving amortization model would not be permitted. 2. An entity should amortize goodwill over a 10-year default period, unless an entity elects and justifies another amortization period based on the facts and circumstances of the acquisition. 3. An entity that elects another amortization period would be subject to a cap. 4. An entity would not be required to reassess the amortization period. 	<p align="center">December 16, 2020</p>

	<p>The Board directed staff to perform additional research and outreach relating to:</p> <ol style="list-style-type: none"> 1. Factors and criteria that would justify deviation from the default amortization period 2. How the factors to consider for the amortization period and the criteria to justify a deviation would interact with the specifics of a cap. 	
<i>Amortization</i>	<p>The Board discussed the staff's research and analysis on amortization periods and methods for an impairment-with-amortization model for the subsequent accounting for goodwill, as well as evolving models in which the subsequent accounting for goodwill changes over time. The meeting was educational; no decisions were made.</p>	November 11, 2020
<i>Initial Deliberations</i>	<p>The Board discussed the feedback received from its July 2019 Invitation to Comment, <i>Identifiable Intangible Assets and Subsequent Accounting for Goodwill</i>, supplemental outreach performed by the staff, and the November 2019 public roundtables.</p> <p>The Board discussed the general direction of the project. Based on that discussion, the staff plans to:</p> <ol style="list-style-type: none"> 1. Explore adding amortization to the goodwill impairment model, including the amortization method and period. 2. Explore other changes to the goodwill impairment model. 3. Consider the accounting for identifiable intangible assets. 4. Address presentation, disclosure, and transition. 	July 15, 2020
<i>Agenda Decision and Initial Deliberations</i>	<p>The Board decided to add a project to its technical agenda and directed the staff to draft an Invitation to Comment to obtain formal input from stakeholders on the subsequent accounting for goodwill, the accounting for certain identifiable intangible assets, and the scope of the project on those topics.</p>	October 24, 2018