



1800 Gateway Drive, Ste 200  
San Mateo CA 94404-4072  
(800) 922-5272  
www.calcpa.org

<director@fasb.org>

February 15, 2012

Technical Director  
Financial Accounting Standards Board  
407 Merritt 7  
PO Box 5116  
Norwalk, Connecticut 06856-5116

File Reference No. 2012-100

Re: *Proposed Accounting Standards Update*, Intangibles-Goodwill and Other (Topic 350), Testing Indefinite-Lived Intangibles for Impairment

The Accounting Principles and Auditing Standards Committee (the AP&AS "Committee") of the California Society of Certified Public Accountants ("CalCPA") is pleased to provide our comments to the Financial Accounting Standards Board ("FASB") on the proposed accounting standard update.

The Committee is the senior technical committee of the CalCPA. CalCPA has approximately 35,000 members. The Committee is comprised of 43 members, of whom 56 percent are from local or regional firms, 21 percent are from large multi-office firms, 12 percent are sole practitioners in public practice, 9 percent are in academia and 2 percent are in an international firm.

The Committee supports the changes in the revised Proposed ASU.

**Question 1:** Please describe the entity or individual responding to this request

See discussion above.

**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.

Not applicable

**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.

Not applicable

**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?

We believe costs and the complexity will be reduced for many public and private entities by the proposed amendments.

**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.

We do not believe that recognition of impairment losses will be delayed as a result of the proposed changes. We do not believe that the optional qualitative approach affect how users evaluate indefinite-lived intangible assets reported in the financial statements.

**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 believe the examples are helpful in assessing how events and circumstances should be assessed.

**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.

Yes.

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

Yes.

We would be glad to discuss our comments further should you have any questions or require additional information.

Very truly yours,



Howard Sibelman, Chair  
Accounting Principles and Auditing Standards Committee  
California Society of Certified Public Accountants