
Project	Financial Instruments: Impairment
Topic	Cover Note

Background and Purpose of this Paper

1. In November 2009 the Board published the exposure draft *Financial Instruments: Amortised Cost and Impairment* (the ED). The 8-month comment period ended on 30 June 2010. Through 13 July 2010 we have received 177 letters. The staff along with some Board Members also undertook significant outreach activities during the comment period.
2. The outreach activities included the IASB (together with the FASB) setting up an Expert Advisory Panel (EAP) consisting of credit risk experts to consider the operational issues arising from the Expected Cash Flow Approach in the ED.
3. Also, the IASB outreach included targeted outreach with users of financial statements. This included individual meetings, group meetings and a user questionnaire. A separate paper will be brought to the Board at a later meeting to discuss the user feedback specifically.
4. The Staff has prepared two papers to present to the Board this meeting:
 - (a) Agenda Paper 9A – Comment Letter Summary: This paper provides a **summary** analysis of the comment letters that were received by the comment letter deadline, and identifies the main themes in the comment letters. As the re-deliberations move forward, we will provide more detailed analysis of the comments received.

This paper has been prepared by the technical staff of the IFRS Foundation for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in *IASB Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

IASB Staff paper

- (b) Agenda Paper 9B – Amortised Cost and Impairment – Expert Advisory Panel: This paper and its appendix provide a summary and inform the Board of the EAP discussions. We will walk through each of the specific operational issues identified in the paper with the Board during this meeting.
5. Neither of the two papers asks the Board for any decisions, nor do they provide any quantitative review of responses received.