



香港華人會計師公會  
The Society of Chinese Accountants & Auditors



23 November 2020

The Chairman  
Financial Reporting Standard Committee  
Hong Kong Institute of Certified Public Accountants  
37th Floor, Wu Chung House  
213 Queen's Road East  
Wanchai  
Hong Kong

Dear Sir,

Invitation to comment on IASB Discussion Paper DP/2020/1  
Business Combinations–Disclosures, Goodwill and Impairment

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The Society of Chinese Accountants and Auditors ('SCAA') refer to your letter dated 23 March 2020 and on behalf of the SCAA and Accountancy Caring Alliance ('ACA'), we would like to provide our views on the captioned subject based on the feedbacks of questionnaires completed by participants in a forum jointly held by SCAA and ACA on 16 November 2020 as follows:

Q1 Do you think that the proposed new disclosure requirements would resolve the Investors need for better information on the subsequent performance of an acquisition? (Refer to Paragraph 2.4 of the Discussion Paper (DP))

We received around 73.6% ( 523 out of 711) of the responded feedback on agreeing the above proposed new disclosure requirements.

Q2 Do you agree with the following disclosure proposals:

Q2a A company should be required to disclose information about the strategic rationale and management's (Chief operating decision maker's) objectives for an acquisition as at the acquisition date (Paragraphs 2.8–2.12 of the DP).

We received around 80% ( 569 out of 711) of the responded feedback on agreeing the above disclosure proposals.

Q2b After the acquisition date, disclose information about whether the company is meeting those objectives using information on how CODM monitors and measures the performance rather than on metrics prescribed by the Board. (Paragraphs 2.13-2.40 of the DP)

We received around 76.2% ( 539 out of 707) of the responded feedback on agreeing with the above disclosure proposals.

Q2c A company should be required to disclose the performance information for as long as



its CODM continues to monitor the acquisition to see whether it is meeting its objectives. (Paragraphs 2.41-2.44 of the DP)

We received around 74% ( 523 out of 707) of the responded feedback on agreeing the above disclosure proposals.

Q3 Do you agree with the new disclosure requirements on the following areas:

Q3a Synergies of the acquisition (paragraphs 2.62-2.68 and 2.69-2.71 of the DP)

We received around 73.6% ( 524 out of 712) of the responded feedback on agreeing with the new disclosure requirements on the above areas.

Q3b Improvement on the disclosures of proforma information (paragraphs 2.78-2.81 of the DP)

We received around 76.5% ( 543 out of 710) of the responded feedback on agreeing with the new disclosure requirements on the above areas.

Q4 The Board's preliminary view is that it does not reintroduce amortization of goodwill and should retain the impairment-only model for the subsequent accounting for goodwill. (Paragraphs 3.86-3.94). Do you think that the Board should reintroduce amortization of goodwill? Why and Why not?

We received around 52.8% ( 376 out of 712) of the responded feedback on agreeing with that the Board should reintroduce amortization of goodwill.

Q5 If you favour reintroducing amortization of goodwill, how should the useful life of goodwill and its amortization pattern be determined?

Regarding these comments, please refer to the Questionnaire Summary as attached in Appendix 1.

Q6 Do you agree the Board's preliminary view that impairment testing of goodwill would not be required unless there is an indication of impairment (paragraphs 4.32-4.34 of the DP). The same proposal would also be developed for intangible assets with indefinite useful lives and intangible assets not yet available for use. Why or Why not?

We received around 65.7% ( 467 out of 711) of the responded feedback on agreeing with the above Board's preliminary proposal.

Q7 Do you agree the Board's preliminary view to remove the restriction that prohibits companies from including some cash flows in future uncommitted restructuring or from improving or enhancing the asset's performance when estimating value in use? (paragraphs 4.35-4.42 of the DP)

We received around 62.2% ( 442 out of 711) of the responded feedback on agreeing



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with the above Board's preliminary view.

Q8 Do you agree the Board's preliminary view to allow companies to use post-tax cash flows and post-tax discount rates in estimating value in use? (paragraphs 4.46-4.52 of the DP)

We received around 70.3% ( 502 out of 714) of the responded feedback on agreeing with allowing companies to use post-tax cash flows and post-tax discount rates in estimating value in use

Q9 Do you agree to develop a proposal to require companies to present on their balance sheets the amount of total equity excluding goodwill? (Paragraphs 3.107-3.114 of the DP)

We received around 67.7% ( 481 out of 710) of the responded feedback on agreeing with developing above proposal.

A detailed summary of the feedback on questionnaires of the forum participants is attached in Appendix 1 for your kind reference.

SCAA is an incorporated body of professional accountants in Hong Kong established since 1913. There were less than a hundred members 50 years ago and about half thousand members 10 years ago. Nowadays, SCAA has over 1,000 ordinary members who are practicing accountants and representing a significant number of practicing firms of accountants, most of which are small and medium sized, in Hong Kong.

ACA has been launched by ADF during the Coronavirus outbreak and has got supports from over 100 accountants and accountancy entities, including The Society of Chinese Accountants and Auditors, Hong Kong Business Accountants Association, and Finance and Accounting Professional Committee of The Hong Kong Chinese Enterprise Association. ACA works together with the accounting profession and aims at projecting positive attitude and energy into the profession and the community through various activities and voluntary work, and actively supporting and voicing out for the basic level and disadvantaged groups.

Should you wish to further discuss the issues in more details, please do not hesitate to contact SCAA at 2869 6680 or ACA at 2811 8776.

Yours faithfully,

Lam Chi Yuen, Nelson  
Executive Chairman  
Accountancy Caring Alliance

Wong Chun Sek, Edmund  
President  
The Society of Chinese Accountants & Auditors

## Questionnaire Summary of Discussion paper : Business Combinations–Disclosures, Goodwill and Impairment

Enrolment: 863

Respondents: 714

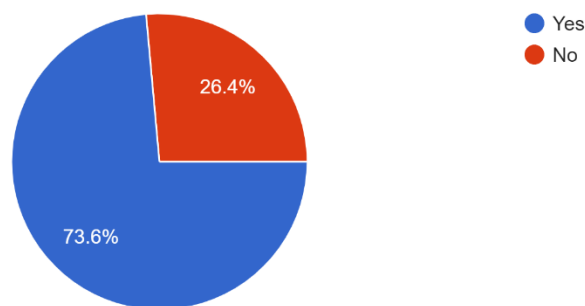
Respondent Rate: 82.7%

**Q1. Do you think that the proposed new disclosure requirements would resolve the Investors need for better information on the subsequent performance of an acquisition?  
(Refer to Paragraph 2.4 of the Discussion Paper (DP))**

- Yes
- No

Yes	523
No	188
Total	711

Do you think that the proposed new disclosure requirements would resolve the Investors need for better information on the subsequent performance ...r to Paragraph 2.4 of the Discussion Paper (DP)  
711 則回應



### Comments, if any.

1. It Gives The Investors A Track Record Of The Performance Of The Acquirer.
2. Costly
3. Better Information
4. If It Is Really Based On Reliable And Objective Info
5. Involved Too Much Cost
6. The Management Would Not Disclose Bad News Anyway If They Do Not Want To

7. Provide More Information To Investors To Predict Future Management Performance
8. But Not That Fruitful As Envisioned By The Board.
9. Provide More Detail Breakdown With Disclosure But The Information Disclose Could Be Selective By Management Or Auditors Which Could Be Subjective
10. The Defined Period Of Amortization After Acquisition May Not Be Good Fit To Actual Amortization Period Of Goodwill Of The Business
11. Provided That The New Requirement Require Company To Disclose The Newly Acquired Company Performance Separately, It Should Resolve The Issue. However, We Need To Consider The Related Costing And Practicability Instead Of Just Setting Too High Standard For All Companies Which May Not Be Practicable. Maybe A Somehow Size Test Similar Under Listing Rule Can Be Apply So That Not All Transactions Would Fall Into This New Standard.
12. But That Will Be A Challenge For The Financial Report Preparers And Seems That Preparation Of Financial Report Become More Complicated Now A Day
13. More Information Is Provided But The Quality Of Information Is Questionable.
14. Only Worthwhile To Be Applied To Listed Companies
15. There Is No Penalty For Poor Assessment
16. Workload Increased A Lot

**Q2. Do you agree with the following disclosure proposals:**

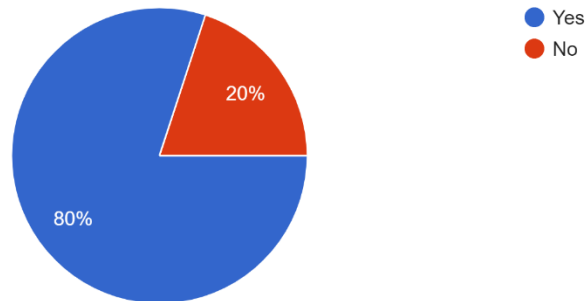
- a) A company should be required to disclose information about the strategic rationale and management's (Chief operating decision maker's) objectives for an acquisition as at the acquisition date (Paragraphs 2.8–2.12 of the DP).**

- Yes  
 No

Yes	569
No	142
Total	711

(a) A company should be required to disclose information about the strategic rationale and management's (Chief operating decision maker's) o...acquisition date (Paragraphs 2.8–2.12 of the DP).

711 則回應



**Comments, if any.**

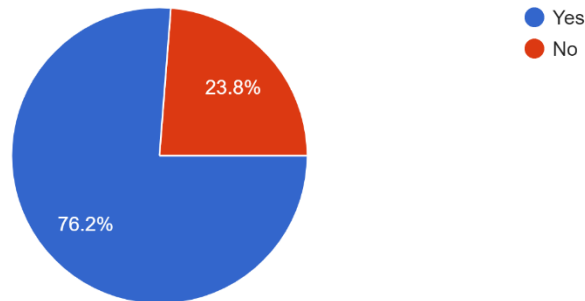
1. That Is Common To Disclose For The Listed Company In Its Circular To The Public.
2. Business Secret And Valuation!
3. More Information To Users
4. Time Consume
5. Provide More Clear Direction Of Company Future
6. If The Acquisition Falls Within Discloseable Transaction, Disclosure Is Only To Recap What The Issuer Disclosed Publicly.
7. Although This Is Difficult For Management To Do So, This Will Help The Reader To Know The Rationale And Market To Monitor The Company Performance
8. This Is A Reasonable Requirement Which Could Help Reader To Understand More Why The Company Is Making The Acquisition.
9. I Think The Strategic Rationale And Management's Objectives Are Part Of The Circular
10. Transparent Is Very Important To Potential Investors
11. More Information But Not Disclose One Is Real One. I Am Not Certain.
12. Only Worthwhile To Be Applied To Listed Companies

**b) After the acquisition date, disclose information about whether the company is meeting those objectives using information on how CODM monitors and measures the performance rather than on metrics prescribed by the Board. (Paragraphs 2.13-2.40 of the DP)**

- Yes
- No

Yes	539
No	168
Total	707

(b) After the acquisition date, disclose information about whether the company is meeting those objectives using information on how CODM monitor...d by the Board. (Paragraphs 2.13-2.40 of the DP)  
707 則回應



**Comments, if any.**

1. Fair presentation.
2. More details disclosure
3. More information
4. very time consume
5. More control measures to the company
6. Additional disclosure is not usual to investors as goodwill will be subject to impairment loss in case new acquisition performs worse than originally expected. So disclosure of reason underlying goodwill impairment is good enough.
7. This would be too board for all cases and also some too confidential may need to be disclosed under this requirement.
8. Too complicated
9. Sure need
10. If it is failed, will get any punishment? What is the rationale for disclosure. But if get punishment, is it fair for the CODM?
11. Only worthwhile to be applied to listed companies

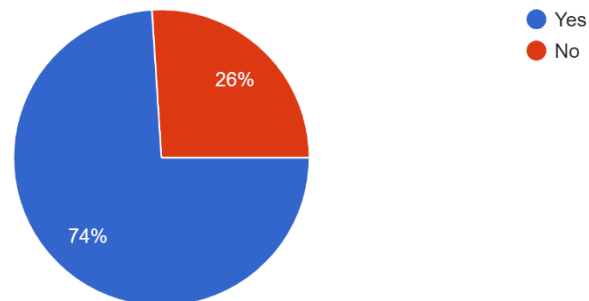
**c) A company should be required to disclose the performance information for as long as its CODM continues to monitor the acquisition to see whether it is meeting its objectives. (Paragraphs 2.41-2.44 of the DP)**

- Yes
- No

Yes	523
No	184
Total	707

(c) A company should be required to disclose the performance information for as long as its CODM continues to monitor the acquisition to see w... its objectives. (Paragraphs 2.41-2.44 of the DP)

707 則回應



**Comments, if any.**

1. Cost v benefits
2. That is not easy to measure the performance as the market is not easy to forecast.
3. Reasonable grounds.
4. Too much extra work
5. Full pictures
6. More control measure of the company
7. see my comment on (b) above.
8. Disclose 5 years info is more than enough which is cost ineffective
9. Time to time report is better for reader to assess the performance
10. Too complicated for the company to bear cost to record.
11. Only worthwhile to be applied to listed companies

**a. Synergies of the acquisition (paragraphs 2.62-2.68 and 2.69-2.71 of the DP)**

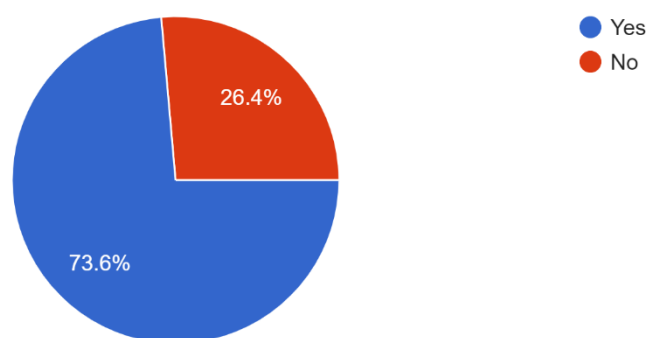
- Yes
- No

Yes	524
No	188
Total	712



(a) Synergies of the acquisition (paragraphs 2.62-2.68 and 2.69-2.71 of the DP)

712 則回應



**Comments, if any.**

1. The combination is not easy to measure within a short period of time.
2. Business decision leads the investment decision.
3. Afraid of getting misleading info
4. More useful information to investors
5. But hard to quantify the synergies value.
6. Better for market under the potential performance
7. Disclose in FS
8. Difficulty to determine, whether or not in figures or something else
9. Not easy to quantify.
10. Too much work for the operation team of the company
11. Only worthwhile to be applied to listed companies
12. Sometimes acquisition is just to diversify the businesses of a group and reduce reliance on one single sector. Don't think synergy arise from such case.

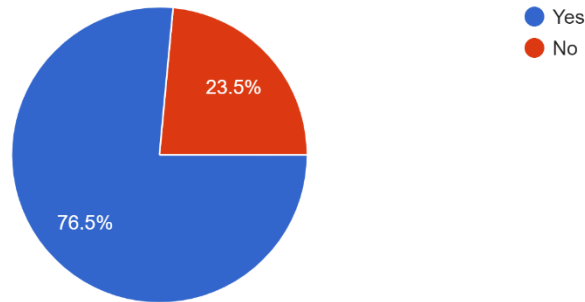
**b. Improvement on the disclosures of proforma information (paragraphs 2.78-2.81 of the DP)**

Yes

No

Yes	543
No	167
Total	710

(b) Improvement on the disclosures of proforma information (paragraphs 2.78-2.81 of the DP)  
710 則回應



**Comments, if any.**

1. For transparency and performance.
2. Better information
3. Involved too much of cost
4. More information to investors
5. PnL projection for current year is helpful
6. Not necessary, pro forma is pro forma
7. Nota easy job
8. Doubt the usefulness of the information vs cost and benefit
9. Only worthwhile to be applied to listed companies

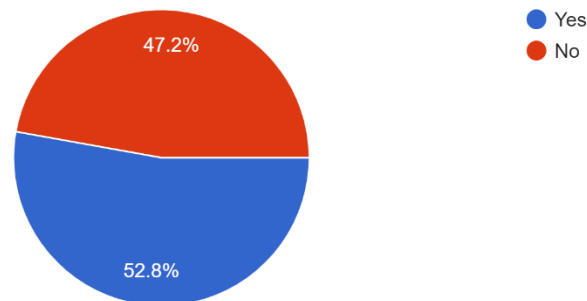
**Q4. The Board’s preliminary view is that it does not reintroduce amortization of goodwill and should retain the impairment-only model for the subsequent accounting for goodwill. (Paragraphs 3.86-3.94). Do you think that the Board should reintroduce amortization of goodwill? Why and Why not?**

- Yes
- No

Yes	376
No	336
Total	712

The Board's preliminary view is that it does not reintroduce amortization of goodwill and should retain the impairment-only model for the subsequ...duce amortization of goodwill? Why and Why not?

712 則回應



### Comments, if any.

1. I Think Impairment Only Model Is More Adequate Than Amortisation. As I Think Goodwill Most Likely Is Changing From Time To Time .
2. The Goodwill Only Represents The Initial Difference Between The Consideration And The Fair Value Of The Subsidiary Being Acquired. The Amortisation Of Goodwill Cannot Reflect The True Value Of The Investment.
3. Due To Misleading Information To User
4. That Means The Company Is Not Able To Write Off The Amortization At Once To Average The Cost Of Amortization For The Period Of Time. That May Be Good For The Company Not To Incur The Huge Loss In The Acquisition Year.
5. Impairment-Only Model Is Sufficient
6. Amortization Of Goodwill Is Not A Good Way To Reflect The Actual Goodwill.
7. Objectivity Of The Calculation And The Justification Of The Amortisation Period
8. Impairment Testing Is Very Subjective And Lack Audit Trail
9. To Show Market Valuation On The Goodwill!
10. Keep The Consistency Of Accounting Principle Application
11. It Is Always Subjective For An Impairment Review And It Would Be More Fair To Consider Goodwill As The Same As Other Tangible Or Intangible Assets Which Subject To Depreciation Or Amortisation
12. Obscure The Value Of A Company If It Is Substantial
13. Meaningless
14. Easier To Manage, The Goodwill At Book Actually Does Not Provide Fruitful Information To The Users Of The Fs
15. Too Difficult To Judge The Goodwill For Amortisation
16. Impairment Is Enough
17. Not Complete Pictures Of Goodwill
18. Agreed That Goodwill Is Wasting And Should Be Amortized Over Time
19. Difficult To Identify The Amortization Period.
20. Importance Of Impairment Of Goodwill
21. No Need

22. Keep Simple
23. Too Complicated
24. Assessments Is Required To Reflect The Comparatively More True Value Of Goodwill
25. Goodwill Needs Not Systematically Reduce Over Time.
26. Better Tell The Impairment Involved
27. Keep Existing Practice For Consistency
28. It Is Hard To Determine The Number Of Years Of Amortisation Of Goodwill, Company By Company
29. Goodwill Or Intangible Assets Has Its Useful Life And Should Be Amortised As Other Assets
30. Just A Matter Of Valuation, Intangible In Nature, Amortisation Will Dilute The Performance Results Sharply
31. More Reflect Up To Date Value For The Goodwill
32. Hard To Determine The Amortization Period And Somehow It Is Too Judge Mental As Different People May Have Different View
33. Synergy Brings Economic Inflow To The Group. The Economic Inflow Will Be Diminished By Time And The Related Inflow Would Transform Into Other Type Of Assets, Such As Cash, Ar Or Other Non Current Assets Of The Group. As Such, Goodwill Should Not Be An Asset With Infinite Useful Life.
34. Impossible To Introduce The Impairment After Spend Money Yo Mske The Investment
35. The Impairment Test Can Reflect The True Value Of The Goodwill. However, Now A Day.
36. Amortization. Goodwill May Not Represent The Value In Subsequent Period.
37. Easy To Do With Certainty
38. It's Easier And Reflects The Diminishing Value Of Goodwill Overtime
39. More Matched
40. Amortisation As A Simple Mechanism For Reducing The Risk Of Overstating Goodwill
41. Amortization Of Goodwill Based On The Products Life
42. Goodwill Is A Wasting Asset, Which Reduces As The Benefits Are Consumed. Amortisation Is The Only Way To Show The Consumption Of Goodwill.
43. Subsequent Accounting Will Reflect More Recent View.
44. Easier
45. Goodwill Should Be Treated As Other Intangible Assets, Reflect On Economic Activities On The Same Pace.
46. Can Reduce The Impact Of The Goodwill Do To Balance Sheet
47. Although In Principle It Would Be Appropriate To Amortise Acquired Goodwill Over Its Useful Life, It Is Not Possible To Estimate The Period Or Pattern Of Consumption In Any Reasonable Way, And So The Amortisation Expense Is Entirely Arbitrary And Will Not Provide Useful Information To Users Of Financial Statements.
48. The Method Is Rather Simple And Easy To Calculate

49. Goodwill Be Amortized Over Its Estimated Useful Life, Say, 5 To 10 Years!
50. Impairment Review Is More Relevant
51. Difficult To Determine The Useful Life
52. The Amortization Rate Is Too Subjective And It May Distort The Actual Profitability Of The Acquired Company.
53. Amortisation Is The Way To Reflect The Consumption Of Goodwill
54. Reasonable
55. Amortisation Of Goodwill Evenly Over A Period Of Time May Not Reflect To Actual Value Of The Goodwill Sometime After Determination Of The Amortisation Rate.
56. Amortization Should Be Applied On Consistent Fair Values Of A Certain Tangible Asset. Goodwill Measured At Initial Acquired Fair Value And Subject To Amortization Would Distort The Financial Performance Of The Organization And Impact Decision Making Of Users Of The Financial Report

**Q5. If you favour reintroducing amortization of goodwill, how should the useful life of goodwill and its amortization pattern be determined?**

**Comments, if any.**

1. 10 Years
2. 5 Years
3. Straight Line
4. 3 Years
5. I Am Not Favour In Introducing Amortisation Of Goodwill.
6. By Judgement
7. Estimated Operating Life
8. Less Than 10years And Subject To Review Btw The Recoverable Amount And Carry Amount Of The Sub
9. By Estimated Product Life
10. Not Support To Reintroduce The Amortization Of Goodwill
11. Judgement And Policy Set By Management
12. Straight Line Method
13. Impairment Test
14. Follow The Other Intangible Assets Of The Company Itself.
15. 20 Years Straight Line
16. By Directors' Justification As Refer To Similar Market
17. No More Than 3 Years, Nowadays So Call Advantage Or Expectation Will Not Reliable Any More.
18. Straight Line, Useful Life Depending On Nature, Limited To Certain Cap.
19. Expected Operation Period Of Such Business, Amortized By St Line
20. Not Favour Reintroducing Amortisation
21. Refer To Similar Acquisitions
22. Not Favour To Do So

23. Maximum Ten Years
24. Based On An Internal/External Valuation Of Goodwill Done Annually.
25. Expected Life Of The Benefits Obtained From The Goodwill
26. Base On The Life Of Goodwill, If Could Not Be Fixed, Write Off Upon Year Of Acquisition.
27. By Straight Line Method, Amortize Over 10 Years Time.
28. In Accordance With Economic Value Generated And Lasting Useful Life
29. Goodwill Be Amortized Over Its Estimated Useful Life, Say, 5 To 10 Years!
30. Should Be Revalued Annually By Professional Valuer
31. Goodwill Was Gradually Written Down Over A Fixed Period. An Annual Impairment Test Of Goodwill.
32. Selected Based On Facts And Circumstances, Unless The Useful Life Cannot Be Established Reliably And Then A Fixed Period Would Be Used
33. Depends On How Long It Will Bring The Financial Benefit
34. Bases On Cost Snd Benefit
35. I Suggest Amortize Immeditately
36. Depend On Valuer Comments
37. Benchmark With Market
38. Determined By The Life Of Investment Or The Board, Which Is Shorter; Reducing Balance
39. Amortized Over Time On A Systematic Basis
40. Management's Assessed/Estimated Useful Life At The Acquisition Date
41. Based On Business Plan
42. Not Agree Reintroducing Amortisation
43. Refer To The Operation Of The Underlying Business Acquired
44. Good Question. This Is Still A Controversy Issue.
45. Estimated Useful Life Of Goodwill
46. It Would Easily Manupulate The PI For Adjusting The Useful Life, So No Amortisation Is Suggested
47. Should Reflect The Pattern Benefits Expected Otherwise Straight Line And Prescribe An Upper Limit On The Useful Life Eg 5-20 Years
48. 30 Years
49. It Shall Reflect The Pattern In Which The Asset's Future Useful Life.
50. Not In Favour Of Amortisation
51. Use Similar Items To Determine
52. Around 5years & Subject To Goodwill Carrying Amount
53. In Best Estimates
54. It Depends On The Nature Of Business And Decelerating Pattern Makes Sense.
55. Based On Detail Assessment Including Cashflow Forecast And Set Clear Benchmark For Impairment.
56. Estimate On The Useful Life Of Goodwill
57. Remaining Useful Life
58. Should Impairment Review The Goodwill Regularly, Yearly Or Half Yearly
59. Based On The Business Lifetime

60. Estimated By Directors
61. Business Cycle
62. An Annual Impairment Test Should Be Perform
63. Same Industry Practice
64. Depends Of What Kind Of Goodwill
65. I Think We Can Consider The Duration Of Operation, If The License Can Be Renewed With A Minimal Value, The Goodwill Useful Should Be Indefinite.
66. No More Than 3 Years
67. Reducing Balance
68. Same As Previous
69. The Useful Life Of Good
70. Base On The Contract, Market Trend
71. Not Favour Reintroducing Amortisation Of Goodwill Since It's Hard To Determine It And The Amount May Not Be Diminished With Time
72. Depends On The Length Of Holding Not Less Than 5 Years
73. Difficult To Determine
74. Straight Line Method Over Reasonable Period
75. Depends On The Business Nature
76. Revalue The Intangible Assets
77. Estimated The Product Life Annually
78. Basing On The Business Model
79. Agree To Amortization Of Goodwill
80. End Of Substantial Contracts Or Lease Terms
81. Depends On Management Suggested Effects Period
82. I Am Against The Reintroducing Amortization Of Goodwill.
83. Impairment Model Should Be Easy To Understand.
84. Over The Expected Life Cycle Of The Industry
85. They Should Be Determined By The Cash Cycle Or Life Generated From The Goodwill.
86. According To Valuer's Report
87. Impairment Will Be A Better Pattern
88. Vary And Depending On Industry
89. Reintroduce Amortization Of Goodwill
90. I Think The Goodwill Should Be Amortized Within 12 Months.
91. According To The Nature Of Business
92. Depends On The Business Cycle
93. Management Expected/Assessed Synergy Period
94. Depends On Profit And Loss
95. Selected Based On Facts And Circumstances, Unless The Useful Life Cannot Be Established Reliably And Then A Fixed Period Would Be Used, For Example 10 Years..
96. Estimated Useful Life Of Goodwill
97. It's Determined By Impairment Test

98. At Least Three Year On Straight Line But Impairment Loss Should Also Be Accounted For
99. By Director's Estimation
100. Board Decision With Explanation
101. The Operation Of The Bu
102. Straight Line Or May Depend On The Situation
103. Evenly Distributed
104. The Useful Life Should Match With The Life Period Of The Company.
105. Same As Trademark Treatment
106. Not Support Reintroducing Amortization
107. Depending On Circumstances
108. Reducing Balance
109. Depends On Industry Nature
110. Useful Life Should Be 10 Years Under Straight Line Method
111. Based On The Estimate Life Of The Business
112. It May Be Decided According To The Company's Objective Of The Acquisition
113. I Answered Not To Reintroduce In The Last Question
114. Economic Life In Use
115. With Refer To Similar Industrial Index
116. Based On The Similar Market Result And Foresee The Future Impact
117. Based On The Independent Third Party's Measurement
118. The Useful Life Should Not Be Definite
119. Investment Desire
120. Straight-Line Based On A Fixed Number Of Years (I.E 20 Years)
121. Straight Line Method / Unit Of Production / Ten Years Rule
122. I Do Not Favour Reintroducing Of Amortization Of Goodwill
123. Expected Years Of Return
124. According To Impairment
125. Based On The Identifiable Assets And Liabilities In That Related Cgu
126. Review Of Beneficial Term
127. To Generate The Profit
128. Over Time As A Systemic Basis
129. Depends On The Subject And Business Model.
130. The Management Strategic Planning
131. Return Of Asset Rate Or Declining Balance Method
132. Can Fix It For Say 2-3 Years

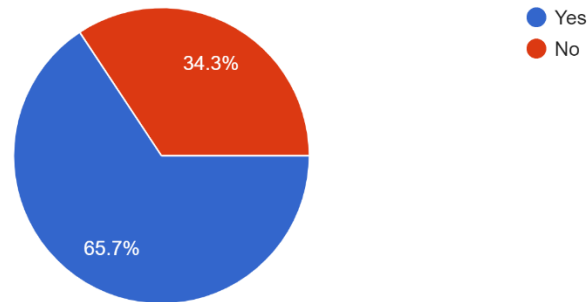
**Q6. Do you agree the Board's preliminary view that impairment testing of goodwill would not be required unless there is an indication of impairment (paragraphs 4.32-4.34 of the DP). The same proposal would also be developed for intangible assets with indefinite useful lives and intangible assets not yet available for use. Why or Why not?**

- Yes
- No



Yes	467
No	244
Total	711

Do you agree the Board's preliminary view that impairment testing of goodwill would not be required unless there is an indication of impairment... assets not yet available for use. Why or Why not?  
711 則回應



**Comments, if any.**

1. It Is More Efficient To Have A Impairment Test When Indication Of Impairment .
2. More Valuation. Reflecting The True More.
3. The Evaluation Of Goodwill Will Be Time Consuming And Not Cost Effective.
4. To Show Market Valuation.
5. Apply A Same And Consistent Accounting Principle To All Intangible Assets Valuation
6. State Benchmark
7. The Standard Already Suggested That Only Recognise Theimpairment When Indicator Exist.
8. Not Necessary
9. Assessment Is Required To Conclude Whether There Is An Indication Of Impairment
10. For Simplicity
11. It Is Costly To Do Impairment Testing If There's No Indicator Of Impairment.
12. 5 To 10 Years
13. Assessment Is Required To Prove That There Is No Indication For Impairment (Assessment Can Be Simplified Thou)
14. Impairment Test Should Be Performed At Least Annually Before End Of Accounting Period
15. Another Question Is How To Indicate A Realiabe Indication
16. Investors May Not Be Able To Identify An Impairment Indication
17. Keep Current Practice For Consistency
18. Goodwill And Intangible Assets Are Two Different Concepts
19. Do Less Is Better

20. Annual Assessment Review Of Impairment Is More Conservative Than Just Review When Indication Arise
21. There Shouldn't Be Indefinite Useful Life
22. To Avoid Overstate In Forseeable Period Of Time
23. It Is Not Easy To Do So And Especially It Is Costly. But More Risky To Shareholder As The Value Of The Company Could Not Be Effective Reflect In Statement Of Financial Position
24. Normally It Is Not Accurate
25. Use Of Post Tax Discount Rate
26. The Answer Of Yes Is Under A Good Monitor Under Board Of The Company. Otherwise, The Annual Impairment Testing Can Force The Board To Access The Value Of Goodwill Yearly.
27. Opportunity For Munipulation
28. Impairment Review Should Be Performed Annually
29. I Don't Think An Impairment Test Is Proper Method As I Suggested On Last Question, Goodwill Should Be Amortized Within 12 Months.
30. Annual Review Should Be Adopted
31. Too Much Work For Assessment
32. An Indication Of Impairment Is Not A Clear Term
33. If There Are No Indication Of Impairment, Is The Cost For Impairment Testing Exceed The Benefit From Such Testing Definitely A Doubt.
34. Make It Consistency
35. As Simple As Possible
36. Should At Least Review At Each Year End.
37. The Effectiveness Of The Impairment Testing To Detect The Potential Impairment Is In Doubt
38. This Is A Simple To Have The Impairment Test
39. If Impairment Test Is Not Performed, No Objective Indicator For Impairment Need

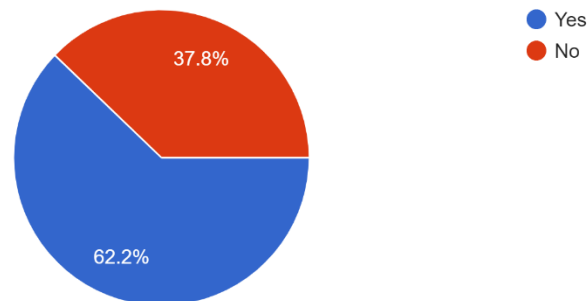
**Q7. Do you agree the Board's preliminary view to remove the restriction that prohibits companies from including some cash flows in future uncommitted restructuring or from improving or enhancing the asset's performance when estimating value in use? (paragraphs 4.35-4.42 of the DP)**

- Yes  
 No

Yes	442
No	269
Total	711

Do you agree the Board's preliminary view to remove the restriction that prohibits companies from including some cash flows in future uncommitted r...ng value in use? (paragraphs 4.35-4.42 of the DP)

711 則回應



### Comments, if any.

1. The Restriction Will Be The Barrier For The Company Not To Use Up The Resources At Once, Then The Case Of Acquisition Will Be Changed.
2. Should Have Restriction.
3. Better For Valuation.
4. To Avoid Overstatement Of Estimated Value
5. Cash Flow Will Be Indicated To Users
6. It Is An Estimation Of Future Cash Flow Which Might Not Be Realized. This Is Misleading To Investors.
7. Should Open To Auditors And Clients
8. As Long As It Is Reasonable To Do So.
9. Why Remove The Restrictions To Make Recoverable Amount Higher
10. All Cash Flows Can Provide More Information For Investors' Assessment Of Intangible Assets, Only More Detailed Disclosure Is Suggested
11. Uncommitted If Not A Factual Operations Of The Company
12. But This Is An Area Prone To High Risk Of Professional Judgement Or Manipulation.
13. This Is From Time To Time Keep On Change Due To Market Change
14. If The Assumptions Are Valid And Supportive, Why Not.
15. Introducing Complxities
16. Providing There Is Adequate Support
17. More Flexible And Wider Angle To See The Picture
18. To Improve The Accuracy Of The Cashflow Forecast
19. FUTURE UNCOMMITTED RESTRUCTURE CAN BRING UNEXPECTED RESULT. INCLUSION OF THIS FACTORY MAY DISTORT THE WHOLE PICTURE OF COMPANY'S BUSINESS

**Q8. Do you agree the Board's preliminary view to allow companies to use post-tax cash flows and post-tax discount rates in estimating value in use (paragraphs 4.46-4.52 of the DP)**

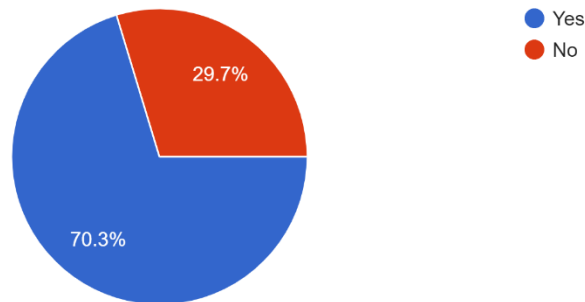
Yes

No

Yes	502
No	212
Total	714

Do you agree the Board's preliminary view to allow companies to use post-tax cash flows and post-tax discount rates in estimating value in use ? (paragraphs 4.46-4.52 of the DP)

714 則回應



**Comments, if any.**

1. This Way Will Be Better To Measure The Real Time Value.
2. Would Consider Pre-Tax Cashflow
3. Reflect A More Accurate Estimate In Value
4. Before Tax Can Show More Complete Information
5. As Tax Payment Of Companies Might Seriously Affect The Liquidity Of Cash.
6. Need More Work
7. More Realistic
8. Neutral
9. More Accurate
10. More Accurate Returns For The Company
11. Just Calculation, Easy To Cal
12. Unnecessary
13. Forecast Company If It Is Overestimated Its Value
14. Too Complex
15. Not Meaningful, People Know How To Change It
16. Doesn't Matter

**Q9. Do you agree to develop a proposal to require companies to present on their balance sheets the amount of total equity excluding goodwill? (Paragraphs 3.107-3.114 of the DP)**

Yes

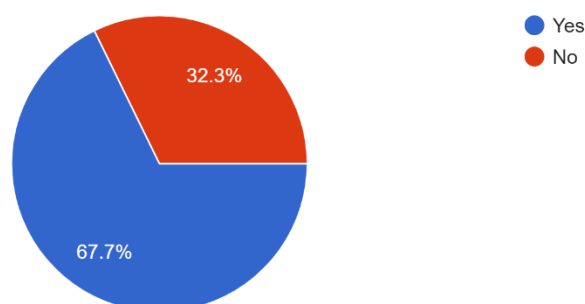
No

Yes	481
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No	229
Total	710

Do you agree to develop a proposal to require companies to present on their balance sheets the amount of total equity excluding goodwill? (Paragraphs 3.107-3.114 of the DP)

710 則回應



### Comments, if any.

1. Goodwill Should Be Included In Balance Sheet.
2. The Goodwill Will Be A Part Of The Assets And Liabilities In The Acquisition. If The Goodwill Is Not Existed, And This Will Easy To Over-Styled The Assets Or Liabilities.
3. It Will Be More Clear For The Readers
4. Goodwill Is Not Actual Income To Shareholders, May Change With The Changing Of Market And Environment
5. It Will Be Much Clearer For The Readers
6. More Informative
7. As Goodwill Is Intangible And Happened On Acquisition Only.
8. Goodwill Should Disclosed As Intangible Assets
9. Goodwill Is Not Actual Income, May Change With The Changing Of Environment
10. More Transparent Information
11. The Second Option Is Ok
12. No Comments
13. More Clear Disclosure To Investors
14. Meaningless
15. Unnecessary
16. Disclosure Is Already Enough For User To Know The Figure And Not Necessary To Present Directly On Balance Sheet
17. Difficult To Count Goodwill Value
18. Show The Actual Tangible Asset From Total Assets
19. Not A Easy Job
20. Not Much Useful. They Can Do It Themselves.
21. If It Is Still Necessary, Better To Disclose The Impact In The Notes To The Financial Statements
22. As A Highlight For Those Users Not Familiar With Accounting
23. More Clear For Readers