



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

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Transmitted electronically

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

RE: IFRS Discussion Paper: *Business Combinations — Disclosures, Goodwill and Impairment*

Dear Mr Hoogervorst:

The International Association of Insurance Supervisors (IAIS) welcomes the opportunity to comment on the International Accounting Standard Board (IASB) Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment* (Discussion Paper).

The IAIS mission is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

The IAIS is supportive of the IASB considering improvements to goodwill and goodwill impairment accounting as well as disclosures that would help investors to better understand the performance of business combinations. At this time, however, the IAIS does not have a firm view as to the appropriate accounting for goodwill. This is primarily due to treatment of goodwill in insurer solvency regimes, which is generally very conservative. Most solvency regimes either write off goodwill entirely at acquisition or significantly limit the amount of goodwill at initial recognition and then amortize the remaining amount over a relatively short period. The IAIS will review the comments received on the Discussion Paper and will consider providing views on a future Exposure Document if the evidence gathered during this process indicates that there are financial stability concerns with the current goodwill model.

If you have any questions regarding this letter, please contact either Jay Muska at the IAIS Secretariat (tel: +41 61 280 8953; email: jay.muska@bis.org) or Markus Grund, Chair of the IAIS Accounting and Auditing Working Group (tel: +49 228 4108 3671; email: markus.grund@bafin.de).

Yours sincerely,



Victoria Saporta
Chair, Executive Committee



Gary Anderson
Policy Development Committee