

## MEDIA RELEASE



International Organization of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organização Internacional das Comissões de Valores  
Organización Internacional de Comisiones de Valores  
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/06/2021

Madrid, 25 February 2021

### **IOSCO Statement on Enhancing Collaboration between the IASB and the FASB on Accounting for Goodwill**

The International Organization of Securities Commissions (IOSCO) is the international body that brings together securities regulators and is recognised as the global standard-setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets and is responsible for the oversight of capital markets and the application and enforcement of accounting and audit standards in those markets, as well as promoting sound disclosure principles. IOSCO's objectives are protecting investors, maintaining fair, efficient and transparent markets and seeking to address systemic risks. The application of accounting standards results in issuers providing relevant and representationally faithful information to allow investors to make informed investment decisions.

IOSCO has consistently supported the objective of a single set of high-quality accounting standards that are consistently and rigorously applied. This view is also shared by the leaders of G20 and other international organisations. With this in mind, we encourage the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB) to collaborate closely with each other on accounting for goodwill so that moving forward the alignment between IFRS and U.S. GAAP in this area can be maintained or enhanced.

We recently submitted a comment letter to the IASB on its Discussion Paper [\*Business Combinations-Disclosures, Goodwill and Impairment\*](#). We note that the FASB is also revisiting its [\*requirements on the accounting for goodwill\*](#). In the past, the IASB and FASB have collaborated on the development of standards on business combinations and goodwill and have

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achieved a high degree of convergence on these accounting topics which greatly helps investors understand and compare financial information of issuers across the globe.

We observe that when the requirements under U.S. GAAP are as aligned as possible with those under IFRS on accounting for goodwill, there is greater comparability in financial statements prepared under IFRS and U.S. GAAP. In our experience, the likelihood of achieving a converged outcome is greatly enhanced when the two Boards work collaboratively, including similar timelines with their respective projects. We believe that maintaining and enhancing convergence in this area should continue to be an important consideration for the IASB and FASB.

IOSCO remains committed to continuing to work closely with the IASB and FASB while respecting the independence of their standard setting processes.

### NOTES TO THE EDITORS

#### About IOSCO

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, The Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.

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3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Dr. Obaid Al Zaabi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates, is the Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:
  - to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
  - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
  - to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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