



April 24, 2012

Ms. Leslie Seidman  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-05116

Re: FASB File Reference No. 2012-100, Proposed ASU, *Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets* (the “Proposal”)

Dear Ms. Seidman:

The Clearing House Association L.L.C. (“The Clearing House”), an association of major commercial banks,<sup>1</sup> appreciates the opportunity to comment on the Proposal. The Clearing House supports the efforts of the Financial Accounting Standards Board to simplify the impairment testing for indefinite-lived intangible assets and to harmonize the approach with that recently adopted for the testing of goodwill.

The Clearing House is responding to this Proposal on behalf of our members primarily in their capacity as preparers of financial statements. Indefinite-lived intangible assets of our members typically consist of certain asset management contracts, brand names and trademarks.

From this perspective, The Clearing House believes it makes sense to adopt an approach consistent with the approach recently adopted for the testing of goodwill for impairment, wherein the first step would be to assess various qualitative factors to determine whether it is necessary to perform the quantitative impairment test currently required in Accounting Standards Codification (“ASC”) Subtopic 350-30, Intangibles—Goodwill and Other – General

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<sup>1</sup> Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which collectively employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. See The Clearing House’s web page at [www.theclearinghouse.org](http://www.theclearinghouse.org).

Intangibles Other than Goodwill. The Clearing House believes that this change was a positive one for the testing of goodwill for impairment. In general, The Clearing House supports a move towards a more principles-based approach as we believe it will both enhance the quality of the testing as well as reduce the cost and complexity of the test.

In addition, The Clearing House believes the qualitative factors listed in paragraphs ASC 350-20-35-3C(a) through (e) are helpful in assessing whether significant inputs to the fair value measurement have changed significantly, indicating that it is more likely than not that an indefinite-lived intangible asset is impaired.

Finally, The Clearing House supports the proposal to permit early adoption of the Proposal, as we believe many institutions will be interested in adopting the new approach as soon as is practicable.

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We thank you for considering the comments provided in this letter. If you have any questions or are in need of any further information, please contact me at (212) 612-9211 (email: [brett.waxman@theclearinghouse.org](mailto:brett.waxman@theclearinghouse.org)) or Gail Haas at (212) 612-9233 (email: [gail.haas@theclearinghouse.org](mailto:gail.haas@theclearinghouse.org)).

Sincerely yours,



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Vice President and  
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