IFRS Accounting

Meeting summary

Joint CMAC–GPF meeting

Date **15–16 June 2023**
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This document summarises discussions at a joint meeting of the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF). The CMAC and the GPF support the International Accounting Standards Board (IASB) in their objectives, and contribute towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards.

CMAC and GPF members who attended the meeting

Region	CMAC Members	GPF Members
Asia-Oceania	Ge Xiaobo Koei Otaki[a]	Lily Hu Jeong Hyeok-Park Srinath Rajanna Kazu Sakaguchi[a] Amrita Srikanth[a]
Europe	Philip Robinson Tony Silverman Larissa van Deventer Joao Toniato Jeremy Stuber Terence Fisher Jacques de Greling[a] Kenneth Lee[a]	Ian Bishop Ernesto Escarabajal Baadenhuijsen Stephen Morris Stefan Salentin[a]
The Americas	Enitan Adebonojo Anthony Scilipoti Paulo Cezar Aragão Rosemary Zigrossi[a]	Jeff Davidson Patrick Matos Michael Tovey

[a] Remote participation via videoconference.

IASB Update

1. A follow-up on issues discussed at the last meetings was provided to CMAC and GPF members.

ISSB Update

2. An update on the recent activities of the International Sustainability Standards Board (ISSB) was provided to CMAC and GPF members, including:

   (a) a summary of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*;

   (b) an overview of the ISSB's strategic and advisory groups;

   (c) information on the ISSB's consultation on agenda priorities;

   (d) an overview of other projects in the ISSB work plan; and

   (e) an overview of the ISSB's work to promote the adoption of sustainability disclosure standards.

Primary Financial Statements

3. The purpose of this session was to obtain feedback from CMAC and GPF members to develop the illustrative examples the IASB plans to issue with the forthcoming IFRS Accounting Standard *General Presentation and Disclosures*.

4. The staff provided a brief overview of examples relating to:

   (a) the statement of profit or loss (Illustrative Examples 1–3);

   (b) the disclosure of management performance measures (MPMs) (Illustrative Example 4); and

(c) the disclosure of operating expenses by nature when an entity presents some line items by function in a statement of profit or loss (Illustrative Example 5).

5. The overview was followed by breakout sessions to obtain members' views on:

(a) whether the examples would provide information that users would expect to see under the proposed requirements of the forthcoming IFRS Accounting Standard;

(b) whether the examples would help preparers to understand the proposed requirements and how they could be applied;

(c) which variant of the examples relating to MPMs would:

(i) make accessing the information on MPMs easiest for users; and

(ii) be preferred by preparers and whether there are circumstances in which a different variant would be preferred;

(d) whether any aspects of the examples might be misleading or result in entities providing boilerplate information; and

(e) whether the examples could be improved.

6. Members were asked to consider their answers to the questions listed in paragraph 5 for both paper-based reports and digital reports tagged using the IFRS Accounting Taxonomy.

Examples relating to the statement of profit or loss (Illustrative Examples 1–3)

7. Members generally approved of the examples relating to the statement of profit or loss. Some members also said the more Illustrative Examples the IASB could provide the better because illustrative examples help preparers better understand the requirements.

Examples of a statement of profit or loss of a general corporate and a statement of profit or loss of a manufacturer with customer financing (Illustrative Examples 1–2)

8. Some members suggested modifying the examples by illustrating:

(a) a line item for 'other operating expenses' or 'other operating income';

(b) a non-recurring line item such as a gain or loss on disposal of assets;

(c) line items for an entity with discontinued operations; and

(d) line items for an entity that presents foreign exchange gains or losses in more than one category in the statement of profit or loss.

9. Some members also said they would find it useful if the illustrative examples included cross references to related requirements in IFRS Accounting Standards.

10. Some members said that illustrating a statement of profit or loss in which some operating expenses were presented by function and some operating expenses were presented by nature was useful (Illustrative Example 1). Members generally agreed that 'goodwill impairment losses' was a good example for a nature line item that was presented separately alongside function line items because, in practice, impairment losses on goodwill are not always allocated to functions. Some members suggested that other nature line items be illustrated, such as foreign exchange gains or losses, credit impairment losses or impairment losses on intangible assets other than goodwill.

11. Some members also said that illustrating a statement of profit or loss of a manufacturer with customer financing was useful (Illustrative Example 2). Some members said an example relating to an entity that presents operating expenses by nature would also be useful.

Example of a statement of profit or loss of an investment and retail bank (Illustrative Example 3)

12. Members said that the example presented by staff was a good illustration of a statement of profit or loss of an investment and retail bank but that the example should also illustrate an 'other operating expenses' or 'administrative expenses' line item.

13. Members also said that if the IASB were to illustrate an example of a statement of profit or loss of an insurance entity, it should include in such an example the specified subtotal 'operating profit or loss and income and expenses from associates and joint ventures accounted for using the equity method' (or a similarly labelled subtotal).

Example relating to the disclosure of management performance measures (Illustrative Example 4)

14. Members generally agreed with using a tabular format to illustrate the reconciliation of an MPM to the most directly comparable subtotal specified by IFRS Accounting Standards. Members also said the example was useful because it contained narrative information typical of the sort an entity would be expected to provide, not boilerplate. Some members asked whether the narrative information could be more concise.

15. With regard to all variants of the examples relating to MPMs presented by staff, members suggested:

    (a) adding an illustrative example illustrating a change of an MPM;

    (b) illustrating the same columns and rows of information for all periods illustrated even if that would mean some columns and rows would be blank; and

    (c) adding common reconciling items such as share-based compensation, amortisation and impairment on acquired intangible assets or a one-off gain.

16. There was support for all three variants of the examples relating to MPMs from CMAC and GPF members. Some members preferred one of Variant A, Variant B or Variant C, and others said they did not have a preference.

17. The members who preferred Variant A said it:

    (a) was easier to understand and more structured compared to the illustrations of the other two variants;

    (b) was similar to current practice; and

    (c) would work well in digital reporting.

18. The members who preferred Variant B and Variant C did not explicitly comment on why they preferred those variants but acknowledged that those variants would result in some duplication of information. Some members said that Variant C would be difficult to understand because all information was provided in a single table.

19. Some members said that another way of illustrating an MPM reconciliation would be to include all line items in the statement of profit or loss as rows in a single table. This approach would enable users to easily understand whether an adjustment item is being added to or subtracted from a measure specified by IFRS Accounting Standards.

20. Some members also said that the starting point of an MPM reconciliation should be an (audited) measure specified by IFRS Accounting Standards. Some members said that since the SEC required the starting point to be the US GAAP measure it would be easier for preparers if the IASB would also require the starting point to be a measure specified by IFRS Accounting Standards.

21. Some members also said that the IASB should illustrate more than one variant in the illustrative examples and that these examples could have a different starting point for the MPM reconciliation.

Example relating to the disclosure of operating expenses by nature when an entity presents some line items by function in a statement of profit or loss (Illustrative Example 5)

22. Members approved of the example although some members questioned whether disclosing information on operating expenses by nature in a single note was the most useful way of disclosing such information. Some members instead suggested, for example, to disclose information on depreciation in a note on property, plant, and equipment or to disclose information on amortisation in a note on intangible assets (or to include in the example a cross reference to those notes for depreciation or amortisation).

23. Some members suggested not including all information in a single table but, rather, disclosing the information separately in a single note. One CMAC member suggested modifying the example to show the total amount of depreciation, amortisation, employee benefits, impairments and write-down of inventories at the bottom (rather than at the top) of each respective table.

24. Some members also said:

(a) they would prefer amounts of impairment losses of property, plant, and equipment and impairment losses of intangible assets to be disclosed separately; and

(b) write-downs of inventories would generally be included in cost of sales (or cost of goods sold).

25. Some members also said that it would not be clear from the narrative information provided in the example whether the amounts disclosed were expense amounts or not.

26. In addition, some members said the IASB should:

(a) clarify that employee benefits included pensions and share-based compensation; and

(b) align the terminology used in the illustrative examples (for example, use either ‘cost of goods sold’ or ‘cost of sales’ but not both).

Next step

27. The IASB will consider the feedback from CMAC and GPF members in developing the illustrative examples for the forthcoming IFRS Accounting Standard.

Provisions—Present obligation recognition criterion

28. The session obtained feedback from CMAC and GPF members to inform the IASB’s discussions on requirements supporting the present obligation recognition criterion in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

29. The staff introduced CMAC and GPF members to initial suggestions for amendments to those requirements. The members then participated in breakout group discussions on:

(a) when a present obligation arises for charges triggered if a measure of an entity’s performance (for example, its revenue or greenhouse gas emissions) exceeds a specified threshold, and whether IAS 37 needs application requirements on this topic; and

(b) what guidance, if any, to add to IAS 37 on the meaning of 'no practical ability to avoid'—specifically, whether that guidance should refer to economic compulsion, and whether it should amend or replace a statement in IAS 37 that an entity recognises a provision for a legal obligation only if that obligation can be enforced by law.

30. The next two sections summarise the views of CMAC and GPF members on these topics.

Thresholds

31. CMAC and GPF members considered in breakout groups a fact pattern in which a levy was payable if a company generated revenue in excess of a specified amount in a calendar year. The entity's revenue reached the specified amount on 17 July of that year. CMAC and GPF members were asked for their views on when the entity incurred a present obligation to pay the levy.

32. IASB members summarised the views CMAC and GPF members expressed during the breakout sessions. The IASB members reported that most or all of their group members thought the entity incurred a present obligation before its revenue had reached the threshold. Group members had expressed views that:

    (a) every sale would be a driver of the entity's liability—the sales that generated the revenue below the threshold were no different from those that generated revenue above the threshold.

    (b) an entity whose revenue was approaching the threshold would have no practical ability to avoid reaching the threshold—the entity could not just turn off the business.

    (c) whether an entity recognised a provision for the levy before its revenue reached the threshold should depend on management's estimates of the amount of revenue the entity would earn in the year.

    (d) management could use budgets and forecasts of annual revenue to estimate the total levy for the year and the amount attributable to revenue earned to date.

(e) the facts are analogous to those in which employee bonuses or income taxes are payable only on earnings or profits above a target or threshold. IAS 19 *Employee Benefits* and IAS 12 *Income Taxes* require liabilities to be recognised by estimating and apportioning the total amounts that would be payable for the period.

(f) recognising a provision based on the expected amount of levy attributable to each unit of revenue would provide more useful information to investors.

(g) if management estimated that the entity's revenue could get close to, but not exceed, the threshold, it would be important to consider the need to disclose material information about the entity's contingent liability.

33. Two IASB members reported that a minority of their group members had expressed a different view. A member of one group had noted that the levy applied only to revenue above the threshold and thought the levy should be recognised only when that revenue was earned. A GPF member in another group thought it might be impossible to accurately estimate the amount of the levy in advance of the threshold being reached—especially in borderline cases, for example, if the threshold is not reached until near the end of the year.

34. One IASB member reported a suggestion that the description of the fact pattern include more information about the amount of revenue the entity earned in the previous year and any changes in the business that might affect the revenue for the current year.

35. Two IASB members reported support for adding to IAS 37 either application guidance or an illustrative example on charges triggered when a threshold is reached. The reasoning for this position was that:

(a) application guidance would help to highlight the difference between the amended requirements and the requirements of IFRIC 21 *Levies*; and

(b) charges triggered by reaching a threshold are not restricted to levies, and are common in some sectors—for example, in the pharmaceutical and oil and gas sectors.

Guidance on the meaning of 'no practical ability to avoid'

36. CMAC and GPF members considered in breakout groups a fact pattern involving legislation that applied to car manufacturers selling cars in a particular market. Manufacturers could not be forced to comply with the legislation, but those that failed to comply could be denied access to the market. Group members were asked to consider whether a car manufacturer should be regarded as having an obligation to comply with the legislation if, for that manufacturer, the likely economic consequences of restricted market access were significantly more adverse than the cost of complying with the legislation.
37. The IASB members reported a consensus, or majority view, among their breakout group members that, in the fact pattern discussed, the car manufacturer had no practical ability to avoid complying with the legislation and so should be regarded as having an obligation to comply—IAS 37 should not limit provisions to obligations that are legally enforceable in conventional ways.
38. The IASB members also reported a consensus in their groups that IAS 37 should include guidance on the meaning of 'no practical ability to avoid', with suggestions that the guidance:

    (a) replace the existing requirement for legal obligations to be enforceable by law;

    (b) include a range of examples—which could be particularly useful given evolving regulatory environments related to climate change;

    (c) focus on the need to assess the likely economic consequences of non-compliance, using a broad definition for 'economic consequences';

    (d) identify reputational risk and other similar risks as possible economic consequences of non-compliance; and

    (e) acknowledge that whether an entity has the practical ability to avoid a responsibility will depend on the facts and circumstances—for example, on the potential scope and severity of any sanctions for non-compliance, and the likelihood that the sanctions would be imposed.

39. IASB members also reported:

(a) alternative views—that the manufacturer described in the fact pattern might not have an obligation to offset its negative position if it could reverse that position through its future actions, or if there were doubt about the government's ability to impose the threatened sanctions.

(b) a suggestion that, if IAS 37 required the economic consequences of non-compliance to be significantly more adverse than the cost of compliance, guidance would be needed to help management assess the meaning of 'significantly'.

(c) an observation that, if management decided not to recognise a provision on the grounds that it would instead accept the risk of restrictions on its market access, management would need to consider the possibility that some of the entity's assets had become impaired. An impairment loss greater than the cost of compliance would indicate that the entity had no practical ability to avoid complying.

(d) a suggestion that it would be important for an entity to be transparent about management's judgement as to whether the entity had an obligation, and about the factors affecting that judgement.

Next step

40. The IASB will consider whether to propose amendments to IAS 37 on thresholds and the meaning of 'no practical ability to avoid', taking into account the feedback from CMAC and GPF members.

Climate-related Risks in the Financial Statements

41. The session provided CMAC and GPF members with an overview of this project. The staff sought CMAC and GPF members' views on the reasons for stakeholder concerns about the reporting of climate-related risks in financial statements and on whether and how the IASB should take further action to address these concerns.

42. CMAC members were asked about:

(a) the challenges they experience with the reporting of climate-related risks in the financial statements;

(b) the types of information they need about climate-related risks in the financial statements and the reasons they need this information; and

(c) the scope of the project and whether it should be repositioned to cover other risks in addition to climate.

43. Many CMAC members confirmed the need for better information in the financial statements about climate-related risks.

44. Some CMAC members said that information in the financial statements on the effects of those risks appears to be disconnected from or inconsistent with information provided elsewhere (for example, in sustainability-related reports). Some CMAC members said entities disclose insufficient information on how climate-related risks are reflected in the financial statements. They mentioned, as examples, the lack of disaggregated information on assumptions and methodologies used. Furthermore, some CMAC members highlighted the usefulness of describing risks that could have a material effect on the financial statements.

45. However, a few CMAC members argued that, because information about these risks is available elsewhere (for example, in sustainability-related financial reports), it is unnecessary to include it in the financial statements.

46. Many CMAC members supported repositioning the scope of the project to include other risks in addition to those related to climate. Some of these members also supported including opportunities in the scope of the project.

47. GPF members were asked about the challenges preparers experience and their concerns about disclosing the information requested by CMAC members.

48. Some GPF members said that some of the information requested by users could be commercially sensitive or contribute towards ‘disclosure overload’. Some GPF members also said the information might not be available or auditable. Although many GPF members supported repositioning the scope of the project to include a wider set of risks, some expressed concerns about the associated cost.

49. Finally, CMAC and GPF members were asked about actions the IASB could take to balance the needs of users and the concerns of preparers.

50. In terms of possible action the IASB could take, CMAC and GPF members said published educational materials have helped improve disclosures about the effects of climate-related risks. Some GPF members suggested that, to further assist entities, the IASB produce additional educational material or application guidance, for example, guidance on how to make materiality judgements and on how to incorporate the effects of long-term risks when testing for impairment. Many CMAC and GPF members said that, in their view, standard-setting is unnecessary because IFRS Accounting Standards already require entities to consider the effects of climate-related risks and other risks in applying the principles in the Standards.

Next step

51. The IASB will consider comments from CMAC and GPF members when it discusses the feedback from its consultative activities, the possible courses of action available and a tentative project plan.

Amendments to the Classification and Measurement of Financial Instruments

52. In this session, the staff sought feedback from CMAC and GPF members on some of the proposed disclosure requirements in the Exposure Draft *Amendments to the Classification and Measurement of Financial Instruments* published in March 2023.
53. The staff provided an overview of the IASB's proposals for requiring entities to disclose qualitative and quantitative information about contractual terms that could change the timing or amount of contractual cash flows of a financial asset or a financial liability based on the occurrence (or non-occurrence) of a contingent event that is specific to the borrower.
54. CMAC members were asked:
    (a) whether they believed the proposed disclosure requirements (including the scope of these requirements) would provide useful information for users of financial statements, and if not, which aspect of the proposals they disagreed with. The staff also asked CMAC members whether they had alternative suggestions for the IASB to consider.

(b) whether there is any useful information about those types of financial instruments that they believe is not currently captured by the proposed disclosure requirements. The staff then asked CMAC members how they would use such information.

55. GPF members were asked:

    (a) whether they had any views on the availability of data and costs to prepare those disclosures;

    (b) whether they had any comments on the scope of these requirements; and

    (c) whether there were any aspects of the disclosure requirements that they believed required further clarification.

56. IASB members summarised the answers CMAC and GPF members gave during the breakout sessions.

57. CMAC members agreed that such disclosures are useful for users of financial statements to understand the potential impact of contractual terms on an entity's future cash flows. CMAC members also noted that the importance of such disclosures is likely to increase if contractual terms such as environmental, social or governance -related targets become more prominent in the market.

58. CMAC and GPF members recommended clarifying the scope of the requirements, including whether the requirements are intended to cover more traditional loan covenants such as loan-to-value ratios or other contractual features, such as prepayment options, that could also impact the timing or amount of contractual cash flows.

59. GPF members generally agreed that information needed to meet the proposed requirements is available since it is based on contractual terms. However, some GPF members mentioned potential challenges in collecting and presenting this information, including:

    (a) incorporating information about these contractual terms in financial reporting systems, especially in the case of entities with a large volume of financial instruments with such terms; and

(b) aggregating information about contractual terms across a large portfolio of financial instruments in a meaningful manner, especially if contracts contain multiple trigger points.

60. Some GPF members recommended that the IASB provide illustrative examples to accompany the proposed disclosure requirement, including information that an entity might need to disclose if the contingent event specified in the contract did not occur.

61. CMAC and GPF members expressed divergent views on whether additional information would be useful for users of financial statements, for example:

(a) management's expectations of the likelihood of the occurrence (or non-occurrence) of a contingent event. Some CMAC members did not believe such information would be useful and some GPF members expressed concerns about the potential sensitivity of such information and the difficulty of estimating such probabilities, especially for lenders for whom the occurrence of the contingent event would be under the control of the borrower.

(b) more detailed information in the case of contingent events that have a high probability of occurring.

(c) historical information about the occurrence (or non-occurrence) of contingent events to enable an assessment of the likelihood of future changes to contractual cash flows.

(d) a sensitivity analysis of the impact of contingent events on the entity's future cash flows rather than just a range of potential outcomes provided by management.

(e) if applicable, a statement that contingent events are not expected to have a material impact on the entity's future cash flows. However, it was noted that IFRS Accounting Standards do not generally require disclosures if information is not material.

Next step

62. The IASB will consider the feedback from CMAC and GPF members when it discusses feedback on the proposals in the Exposure Draft.

Business Combinations under Common Control

63. IFRS Foundation staff:

    (a) provided an update on the Business Combinations under Common Control (BCUCC) project; and

    (b) asked CMAC and GPF members for their views on the project direction.

64. In April 2023 the IASB had discussed whether the current project direction would be likely to result in the project moving into the standard-setting phase and whether the IASB should consider changing the project direction. The IASB had discussed three options for the project direction:

    (a) Option I—to develop recognition, measurement and disclosure requirements;

    (b) Option II—to develop disclosure-only requirements; and

    (c) Option III—to develop no recognition, measurement or disclosure requirements.

65. CMAC and GPF members were asked:

    (a) considering the criteria in the *Due Process Handbook* for deciding whether the IASB should move to a standard-setting project:

        (i) whether the gap in IFRS Accounting Standards causes problems for reporting BCUCCs;

        (ii) whether members had specific examples in which the reporting for a BCUCC resulted in financial statements that were misleading or failed to provide useful information about the BCUCC and, if so, how common such examples were; and

(iii) which option the IASB should choose.

(b) if the IASB were to choose Option II (disclosure-only requirements):

(i) what specific disclosures CMAC members would find useful; and

(ii) whether GPF members could disclose the information suggested by CMAC members at a reasonable cost.

Problems in reporting BCUCCs

66. CMAC and GPF members discussed how common BCUCCs are in their experience. At this session:

(a) some CMAC and GPF members said BCUCCs are common but most are between wholly-owned entities and do not affect the receiving entity's non-controlling shareholders (NCS);

(b) one CMAC and one GPF member said BCUCCs (including BCUCCs that affect NCS) are common in China; and

(c) one CMAC member said BCUCCs that affect NCS could become more common if listing rules are changed.

67. Some CMAC and GPF members acknowledged diversity in the reporting for BCUCCs but said that this diversity does not cause problems. One CMAC member said that, from a credit perspective, they could work with diversity in reporting for BCUCCs and that that diversity does not change the receiving entity's cash flows.

68. One GPF member said diversity in practice means there is a deficiency in the reporting for BCUCCs.

Examples of misleading reporting

69. No CMAC or GPF members provided examples in which the reporting for a BCUCC resulted in financial statements that were misleading or failed to provide useful information about the BCUCC. One CMAC member and one GPF member from China said users (including users from their jurisdiction and overseas users with whom they interacted) did not find book-value information (as required in their jurisdiction) misleading.

Which option to choose

70. Of the CMAC members who said which option they preferred, some preferred Option I (to develop recognition, measurement and disclosure requirements) and most preferred Option II (to develop disclosure-only requirements).
71. The GPF members who commented expressed split views with some GPF members expressing preference for Option I, some for Option II and some for Option III (to develop no recognition, measurement or disclosure requirements).
72. The reasons given in favour of proceeding with the current project direction (Option I) included:
    (a) filling the gap in IFRS Accounting Standards, even if doing so would not reduce or would only partially reduce diversity in practice.
    (b) the potential effect the project could have on diversity in reporting. One GPF member said that if the project would not reduce diversity the IASB should choose Option III.
    (c) the prospect that the acquisition method would provide useful information to NCS.
73. The reasons given in favour of changing the project direction (that is, to pursue Option II or Option III instead) included:
    (a) users being able to work with diversity in practice;
    (b) given the jurisdictional diversity indicated by user feedback, the possibility that prescribing which method to apply would not meet the information needs of users around the world;
    (c) the feedback that the project (with its current direction) is not a priority for users; and
    (d) the feedback that the issue is not widespread outside China and that current practice in China appears to work well.
74. A few of the CMAC and GPF members who supported Option II (developing disclosure-only requirements) explained why they held this position. Specifically:

(a) one GPF member said information an entity discloses about a BCUCC (for example, about expected synergies and subsequent performance) is more important for users than information in primary financial statements;

(b) one CMAC member said they do not ask entities for additional information about BCUCCs because they expect the information would not be provided, and that they would therefore like the IASB to introduce disclosure requirements; and

(c) one GPF member said that developing disclosure-only requirements could be a first stage before developing recognition and measurement requirements in the longer-term.

75. Some reasons provided in support of discontinuing the project (Option III) instead of developing disclosure-only requirements (Option II) were that:

(a) the disclosures required by IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are sufficient; and

(b) wholly-owned subsidiaries should not be required to disclose additional information.

Specific disclosures if the IASB chooses Option II

76. CMAC and GPF members discussed the possibility of the IASB choosing Option II. During this discussion:

(a) one CMAC member suggested requiring an entity to disclose the fair value of consideration paid. However, another CMAC member said disclosing fair value information would not be useful because they have their own valuation methods and one GPF member said disclosing fair value information could be costly.

(b) one CMAC member suggested requiring entities to reconcile the fair values recognised and historical book-value information when an entity uses the acquisition method. This would allow users to challenge the fair values recognised.

Other comments

77. Some CMAC and GPF members expressed views on topics other than the project direction, for example, on:

    (a) if the IASB chooses Option I—whether to require entities to apply the acquisition method or a book-value method to BCUCCs; and

    (b) the extent to which regulations protect non-controlling shareholders.

Next step

78. The IASB will consider feedback from CMAC and GPF members and other stakeholders at a future IASB meeting when discussing the project direction.