

STAFF PAPER

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Accounting Standards Advisory Forum

| Project | Definition of a business | | |
|-------------|--------------------------|--|---------------------|
| Paper topic | Cover note | | |
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Introduction

1. In November 2015 the Financial Accounting Standards Board (FASB) published the Proposed Accounting Standards Update *Clarifying the Definition of a Business* (the FASB ED).
2. In June 2016, the International Accounting Standards Board (IASB) published the Exposure Draft *Definition of a Business and Accounting for Previously Held Interests* (the IASB ED) (ED/2016/1).
3. The aim of both EDs is to clarify the definition of a business and the related application guidance in FASB's Topic 805 *Business Combinations* and IFRS 3 *Business Combinations* which are substantially converged standards.

Purpose of this session

4. The purpose of this session is to obtain advice from ASAF members on the IASB ED.
5. Agenda Paper 5A provides an update of the FASB's project on the definition of a business.

6. Agenda Paper 5B compares the wording of the IASB ED with the wording of the FASB ED and explains the main wording differences. Paper 5B contains two questions for ASAF members.