

STAFF PAPER

December 2017

Emerging Economies Group

Project	Business Combinations under Common Control		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the Emerging Economies Group. The views expressed in this paper do not represent the views of the International Accounting Standards Board (Board) or any individual member of the Board. Comments on the application of IFRS[®] Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB[®] *Update*.

Purpose of this session

1. In the light of the feedback received in its 2015 *Agenda Consultation*, the International Accounting Standards Board (Board) has resumed its work on the Business Combinations under Common Control (BCUCC) research project.
2. The purpose of this session is:
 - (a) provide to the members of the Emerging Economies Group (EEG) an updated on the project, including finding from research and outreach performed by the staff and next steps;
 - (b) seek EEG members' views on the clarifications of the scope of the project; and
 - (c) seek EEG members' views on the factors to consider in selecting an appropriate accounting method for transactions within the scope of the project.
3. The staff will provide a verbal update on the feedback received from EEG members at the December 2017 IASB meeting and will consider that feedback in developing future agenda papers for the Board.

Agenda papers

4. Agenda papers for this session include:
 - (a) this *Cover paper*;
 - (b) Slide deck 1—*Background, research and outreach, next steps*;
 - (i) Attachment 1—Agenda paper 23 April 2016 IASB meeting;
 - (ii) Attachment 2—Agenda paper 23A April 2016 IASB meeting;
 - (iii) Attachment 3—Agenda paper 23B April 2016 IASB meeting;
 - (c) Slide deck 2—*Scope of the project*;
 - (d) Slide deck 3—*Methods of accounting*.

Next steps

5. At the December 2017 IASB meeting, the staff plan to:
 - (a) provide the Board with an overview of related projects, notably submissions to the IFRS Interpretations Committee and related discussions;
 - (b) ask the Board whether the meaning of a ‘business combination under common control’ should be clarified; and
 - (c) hold an education session on the factors to consider in selecting an appropriate accounting method for transactions within the scope of the project.
6. In the first half of 2018, the staff plan to discuss with the Board:
 - (a) accounting methods for transactions within the scope of the project; and
 - (b) how the so-called predecessor method should be applied.
7. The staff expect that the next due process document in the project will be a discussion paper. The staff expect that the discussion paper will be published in the second half of 2018.