

Business Combinations under Common Control

Accounting Standards Advisory Forum meeting
October 2020

ASAF Agenda Paper 2

The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or IFRS Foundation.



Discuss outreach plans

The staff are seeking:

- feedback on the staff's proposed focus in the outreach;
- assistance in organising stakeholder events in ASAF members' jurisdictions; and
- advice on how to facilitate effective stakeholder engagement on the BCUCC Discussion Paper.

BCUCC Discussion Paper—key dates

**September 2020
Board meeting**

Set the comment period for the Discussion Paper

**September 2020
IFRS Foundation
Virtual Conference**

Introduce the Board's preliminary views

November 2020

Expect to publish the Discussion Paper

BCUCC Discussion Paper—key reminders

Reporting by other parties is not considered in the project

What?

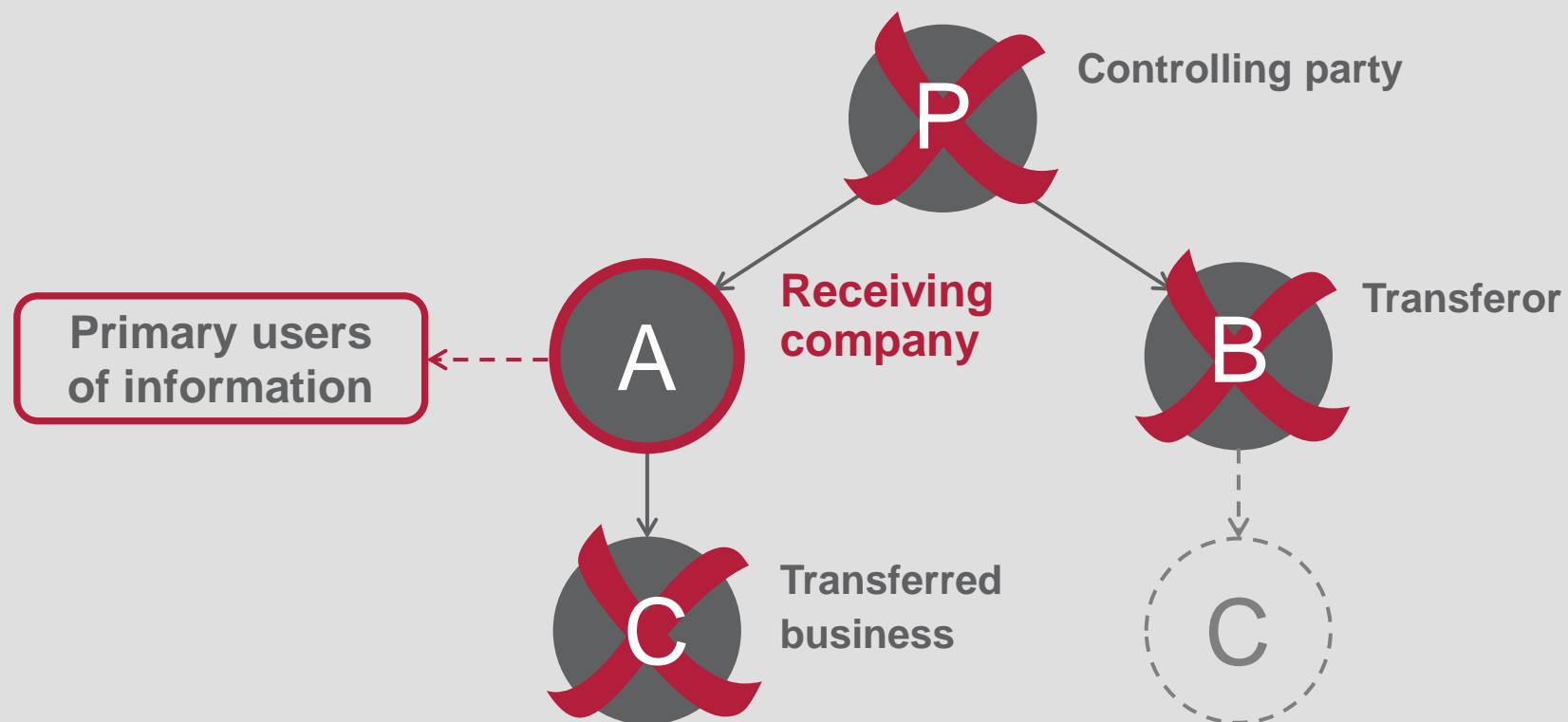
- Reporting by the receiving company
- Typically consolidated financial statements

When?

- The acquisition method when unrelated non-controlling shareholders are affected (unless none of them objects to a book-value method)
- A book-value method in all other cases

How?

- The acquisition method as set out in IFRS 3 *Business Combinations*, except that excess net assets are recognised as a contribution
- A single form of a book-value method, to be specified in IFRS Standards



Users of financial statements

- Target users who are familiar with BCUCC transactions
- Hold one-on-one and small group discussions
- Use real-life examples to facilitate understanding
- Seek views on whether the Board's preliminary views would result in better information about BCUCC

Securities regulators and standard-setters

- Conduct initial educational meetings to introduce the Board's preliminary views
- Seek support in organising jurisdictional stakeholder engagement
- Seek views on whether the Board's preliminary views advance the project's objective of reducing diversity and improving comparability of information between BCUCC

Preparers and auditors

- Target companies that undertook BCUCC transactions
- Seek feedback on costs and operational aspects of implementing the Board's preliminary views
- Seek views on application of the exemption from the acquisition method
- Understand challenges that companies face applying a book-value approach

Questions for ASAF members

1. How would you like to provide views on the BCUCC Discussion Paper?
2. Do you have comments on the staff's tentative outreach plans?
3. Would you be willing to assist the staff in identifying sample transactions and organising stakeholder engagement in your jurisdictions?
4. Do you have suggestions on how can we facilitate effective engagement with stakeholders?
5. Do you have other advice and suggestions?

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