
Global Preparers Forum

Date	November 2025
Project	Business Combinations—Disclosures, Goodwill and Impairment
Topic	Aspects of performance and expected synergy information
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This paper has been prepared for discussion at a public meeting of the Global Preparers Forum (GPF). This paper does not represent the views of the International Accounting Standards Board (IASB) or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB® *Update*

Purpose

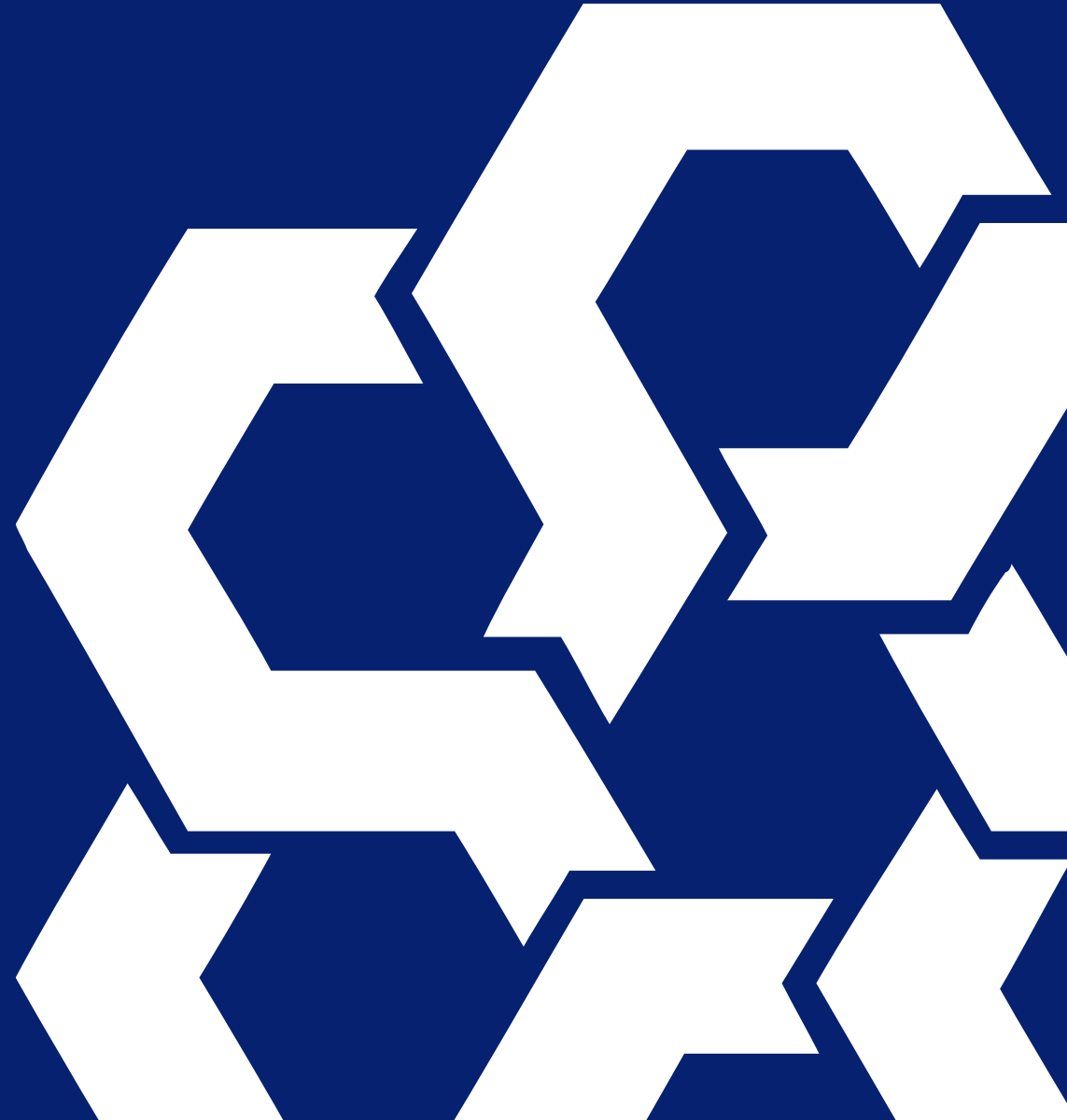
- The purpose of this discussion is to seek Global Preparers Forum (GPF) members' views on one aspect of the proposed requirements for an entity to disclose information about a business combination in the Exposure Draft *Business Combinations—Disclosures Goodwill and Impairment* (Exposure Draft).
 - Slide 11 includes the specific questions for GPF members.
 - We are not asking for your views on other aspects of the proposals in this meeting. For purposes of answering our questions, please assume that the disclosure requirements for performance and expected synergy information (including the information to disclose and which business combinations it would be required for) are similar to what was proposed in the Exposure Draft.
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Structure

The slides are structured as follows:

- Background (slides 4–7)
- Basis of preparation for performance and expected synergy information (slides 8–11)

Background

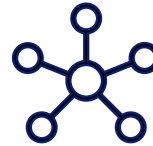


Reminder of the Exposure Draft's proposals: Performance information



Information to be disclosed

- **Key objectives** and targets
- **Performance** against key objectives and targets



Population of business combinations

Strategic business combinations



Exemption

Applied to some items of **commercially sensitive** information

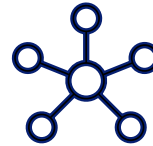
Reminder of the Exposure Draft's proposals: Expected synergy information



Information to be disclosed

In year of acquisition only,
information aggregated by
category about:

- Expected **synergies**
- **Cost** to achieve synergies
- Expected **timeframe**



Population of business combinations

All '**material**' business
combinations



Exemption

Applied to some items of
commercially sensitive
information

Redeliberation status

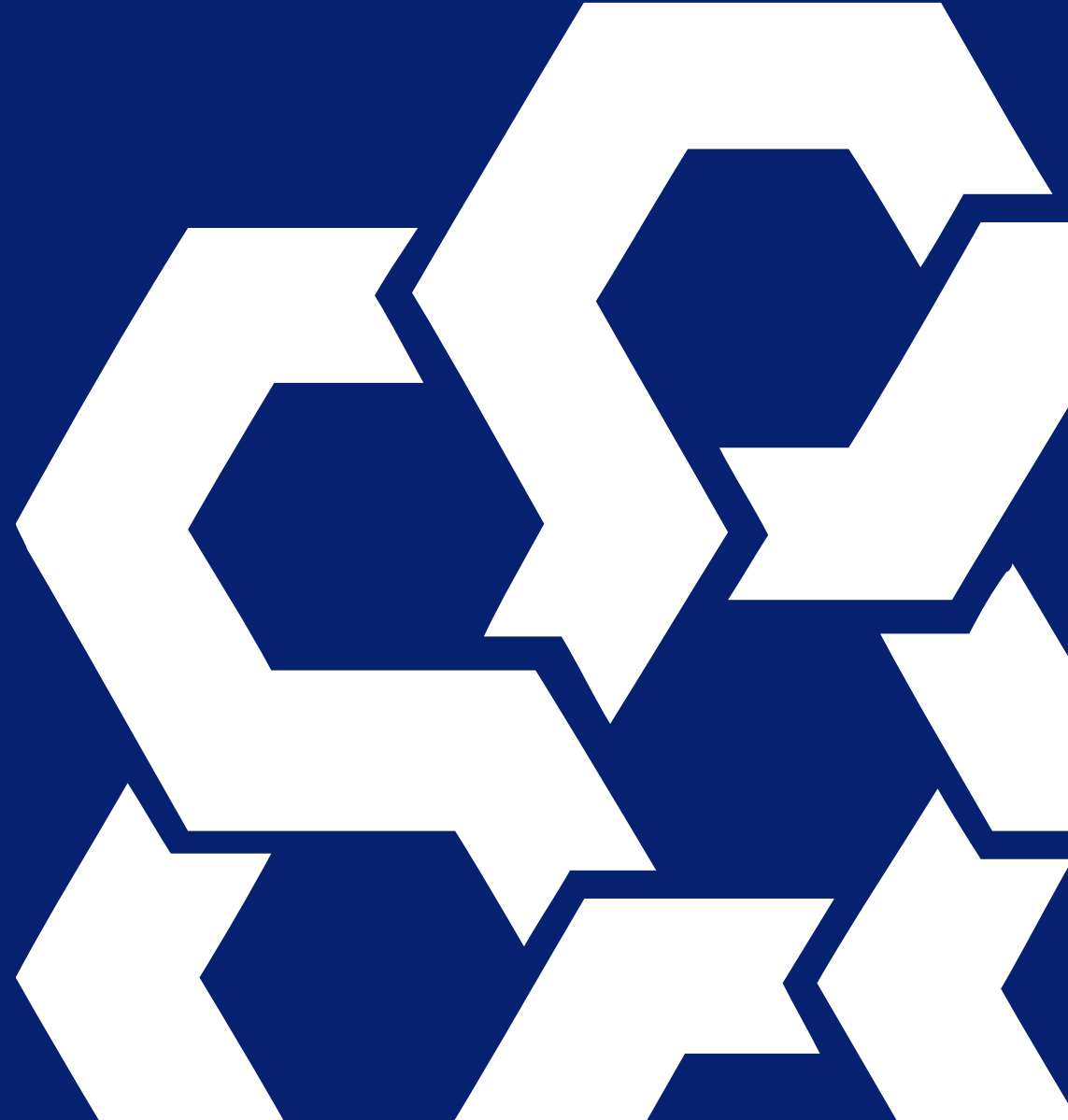
The IASB discusses various aspects of performance and expected synergy information, summarised in Appendix A of [Agenda Paper 18](#) of the IASB's October 2025 meeting.

In its October 2025 meeting, the IASB discussed feedback specific to each of performance and expected synergy information. This paper asks your views on disclosing the basis of preparation for performance and expected synergy information.

At the Capital Markets Advisory Committee's [November 2025 meeting](#) we will be consulting on additional topics that are not included in this paper. Specifically:

- the statement of whether a business combination is meeting targets—we have already heard that it could be difficult for entities to determine, so we have no questions for GPF members.
- the population of business combinations for expected synergy information—the suggestions we are consulting on would restrict the population for which disclosure would be required, so we have no questions for GPF members.
- if you would like to discuss these topics in private, please contact the project team.

Basis of preparation for performance and expected synergy information



Exposure Draft proposal and feedback received

The Exposure Draft proposed requiring an entity to disclose:

- performance information (see slide 5) for a subset of business combinations; and
- expected synergy information (see slide 6) for all material business combinations.

Feedback on the Exposure draft included:

- Targets for business combinations might be based on measures not defined in IFRS Accounting Standards (for example, market share or EBITDA).
- ‘Synergy’ is not defined so there could be diversity in how entities calculate the information (for example, financing synergies or hypothetical costs that would have been incurred if the acquirer decided to enter a new market itself rather than by acquisition).
- A few respondents suggested requiring an entity to disclose the basis of preparation for performance and expected synergy information.

Staff initial analysis

[Agenda Paper 18A](#) to the IASB's July 2025 meeting and Agenda Papers [18C](#) and [18D](#) to the IASB's October 2025 meeting analyses the suggestion to disclose the basis of preparation.

In our initial view, requiring an entity to disclose the basis of preparation could:

- inform users of what the target represents (if not defined in IFRS Accounting Standards) or of significant judgements in determining the amounts (for example, allocation of central costs if the target is segment operating profit); and
- help mitigate stakeholders' concerns relating to auditability and audit expectation gap.

We expect disclosing the information will not be costly for preparers because we think management know how they plan to (and subsequently do) measure the achievement of the targets / how they measured expected synergies at the acquisition date. We would like to understand from you whether you have any concerns about disclosing this information.

We are also consulting with users on how useful they would find the information.

Questions

Would you have any concerns about disclosing the basis of preparation for:

(a) performance information?

(b) expected synergy information?

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