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**IASB<sup>®</sup> meeting**

Date **September 2025**  
Project **Business Combinations—Disclosures, Goodwill and Impairment**  
Topic **Cover Paper**  
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the 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<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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**Introduction and purpose**

1. At its [December 2024](#) meeting, we presented the International Accounting Standards Board (IASB) with respondents' feedback on various aspects of the IASB's proposals to require entities to disclose performance and expected synergy information in financial statements. [Agenda Paper 18B](#) for the IASB's December 2024 meeting (December agenda paper) summarised feedback on whether to require an entity to disclose performance and expected synergy information. It focussed on topics that pertain to both the proposed performance and expected synergy information (common topics).
2. We have presented our initial analysis of some of the common topics in previous papers. In particular, we presented our initial analysis on:
  - (a) conceptual concerns raised by respondents disagreeing with requiring entities to disclose performance and expected synergy information in financial statements ([Agenda Paper 18A](#) for the IASB's March 2025 meeting);
  - (b) the proposed exemption from disclosing some information in specific situations (Agenda Papers [18A](#) and [18B](#) for the IASB's June 2025 meeting);and

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- (c) auditability of performance and expected synergy information and a possible audit expectation gap ([Agenda Paper 18A](#) for the IASB's July 2025 meeting).
3. Agenda Paper 18A for this meeting paper presents our initial analysis of the remaining topics in the December agenda paper on whether to require performance and expected synergy information in financial statements. That paper does not ask the IASB to make decisions. However, we ask IASB members for comments and questions on our analysis of the topics and initial views.

## Update and next steps

4. We will continue analysing feedback on the proposal to require an entity to disclose performance and expected synergy information and will present this analysis at future IASB meetings. We will focus on analysing topics specific to each item of performance and expected synergy information.
5. As discussed at the IASB's April 2025 meeting, we have consulted on aspects of the [Exposure Draft's](#) proposals to require an entity to disclose performance information for only a subset of business combinations. We will present the feedback, our updated analysis and views at a future IASB meeting.
6. In line with the redeliberation plan outlined in [Agenda Paper 18G](#) for the IASB's January 2025 meeting and the next steps discussed in recent IASB meetings, we expect:
- (a) to consult:
- (i) on aspects of the [Exposure Draft's](#) proposals to exempt an entity from disclosing some performance and expected synergy information in specific situations (following the IASB's June 2025 meeting);
- (ii) to confirm our understanding of concerns regarding the auditability of, and any possible audit expectations gap relating to the proposed requirements to disclose performance and expected synergy

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- information and assess if respondents' suggestions would mitigate those concerns raised (following the IASB's July 2025 meeting); and
- (iii) on aspects of the [Exposure Draft's](#) proposal to remove the requirement to exclude restructuring and enhancement cash flows when calculating value in use (VIU) of an asset or a cash-generating unit (CGU). (following the IASB's July 2025 meeting).
  - (b) the IASB to redeliberate other proposals as and when time permits.

## Appendix A—Summary of discussions and tentative decisions

A1. This table summarises the Exposure Draft proposals, respondents' feedback and the IASB's discussions and tentative decisions during redeliberations.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Objective	The project's objective is to explore whether an entity can, at a reasonable cost, provide users with more useful information about business combinations.	Although not specifically asked, some respondents provided feedback on the objective, of which most agreed, and some expressed concerns about whether the proposals go far enough.	<a href="#">February 2025</a> : the IASB tentatively decided to retain the project objective but to adjust its wording to reflect the stage of the project.
Whether to require performance and expected synergies information	Disclose performance and expected synergies information in financial statements.  The specific information proposed is shown in rows below.	There were divergent views. In particular, almost all users confirmed the need for the information and most preparers continued to disagree with requiring the information in financial statements. Respondents who disagreed generally gave the following common reasons: (a) conceptual reasons;	September 2025: the IASB discussed usefulness of performance and expected synergy information. The IASB also discussed: (a) conceptual reasons—the IASB discussed conceptual reasons in

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
		<ul style="list-style-type: none"> <li>(b) auditability and expectations gap;</li> <li>(c) commercial sensitivity and litigation risks arising from disclosure of forward-looking information; and</li> <li>(d) monetary costs and other concerns.</li> </ul>	<p><a href="#">March 2025</a>. The IASB tentatively decided to continue to redeliberate the proposed requirements for an entity to disclose performance and expected synergy information.</p> <p>(b) commercial sensitivity and litigation risks—the IASB had an initial discussion in <a href="#">June 2025</a> but did not make any tentative decisions. The staff will consult on specific aspects before asking the IASB for tentative decisions.</p> <p>(c) auditability and expectations gap—the</p>

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			<p>IASB had an initial discussion in <a href="#">July 2025</a>. The staff will consult on specific aspects before asking the IASB for tentative decisions.</p> <p>(d) monetary costs and other concerns—to be discussed at this meeting.</p> <p>This meeting continues the discussion on other feedback that was that was common between the proposals to require an entity to disclose performance and expected synergy information in financial statements.</p>

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Performance information—subset	Disclose performance information for only a subset of material business combinations—referred to as strategic business combinations—identified by quantitative and qualitative thresholds.	Respondents generally supported a subset approach. However: (a) many agreed with a threshold approach but many others suggested a principles-based approach; (b) most disagreed with at least one of the proposed thresholds; and (c) some expressed concerns about the term ‘strategic’.	<a href="#">April 2025</a> : the IASB had an initial discussion but did not make any tentative decisions. The staff will consult on specific aspects before asking the IASB for tentative decisions.
Performance information—management approach and other feedback	Disclose performance information based on the information reviewed by the entity’s key management personnel (KMP), including: (a) acquisition-date key objectives and related targets (KOTs); and (b) the extent to which those KOTs are being met in subsequent periods, for as long as KMP review that information.	(a) Most respondents agreed with disclosing KOTs based on the information reviewed by KMP and some respondents disagreed; and (b) many respondents agreed with disclosing information for as long as KMP review, some respondents disagreed and some did not comment.	To be discussed at a future meeting.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Expected synergy information	Information about expected synergies for each business combination including: (a) a description of expected synergies by category; and (b) for each category: (i) the estimated amounts; (ii) the estimated costs; and (iii) the expected timing.	Some respondents (including most users and user groups) agreed but most respondents (including almost all preparers and preparer groups and accounting firms) disagreed.	To be discussed at a future meeting.
Exemption from some disclosure requirements	An entity would be exempt from disclosing expected synergy information and some aspects of performance information if doing so can be expected to prejudice seriously the achievement of any of the entity's acquisition-date key objectives for the business combination. The Exposure Draft also proposed application guidance to accompany the exemption.	Almost all respondents agreed with having an exemption but many said the exemption should be expanded to cover other situations in which information would be so commercially sensitive that it should not be disclosed in financial statements.	<a href="#">June 2025</a> : the IASB had an initial discussion but did not make any tentative decisions. The staff will consult on specific aspects before asking the IASB for tentative decisions.
Other IFRS 3 disclosures	Amendments including: (a) to add two new disclosure objectives;	(a) Almost all respondents agreed; (b) almost all respondents agreed; and	<a href="#">May 2025</a> : the IASB tentatively decided:



Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
	<ul style="list-style-type: none"> <li>(b) to require disclosure of the 'strategic rationale' instead of 'primary reasons' for a business combination; and</li> <li>(c) to specify that for the information about the contribution of an acquired business: <ul style="list-style-type: none"> <li>(i) the amount of profit or loss is the amount of 'operating' profit or loss;</li> <li>(ii) application guidance would not be provided; and</li> <li>(iii) the basis for preparing the information is an accounting policy.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(c) for the contribution of an acquired business: <ul style="list-style-type: none"> <li>(i) most respondents agreed;</li> <li>(ii) most respondents agreed; and</li> <li>(iii) many agreed but many disagreed.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(a) to retain the proposed disclosure objectives to guide its redeliberations;</li> <li>(b) to retain the proposal; and</li> <li>(c) for the contribution of an acquired business: <ul style="list-style-type: none"> <li>(i)–(ii) to retain the proposals; and</li> <li>(i) to instead require an entity to disclose the basis on which it prepared combined entity information.</li> </ul> </li> </ul>
Restructuring and asset	Remove the requirement to exclude restructuring and enhancement cash flows	Many respondents agreed but many others disagreed.	<a href="#">July 2025</a> : the IASB had an initial discussion but did not make any tentative decisions.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
enhancement cashflows	when calculating value in use (VIU) of an asset or a cash-generating unit (CGU).		The staff will consult on specific aspects before asking the IASB for tentative decisions.
Allocating goodwill to CGUs	Targeted changes to IAS 36 to improve how entities allocate goodwill to CGUs and therefore reduce shielding.	Many respondents agreed but many others disagreed (including almost all respondents who suggest reintroducing amortisation of goodwill).	To be discussed at a future meeting.
Segment disclosure	Disclose in which reportable segment a CGU (or group of CGUs) containing goodwill is included.	Most respondents agreed and some disagreed.	<a href="#">July 2025</a> : the IASB tentatively decided to require an entity to disclose the reportable segment in which a cash-generating unit or group of cash-generating units containing goodwill is included.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Post-tax cash flows and discount rates	Remove the requirement to use pre-tax cash flows and discount rate when calculating VIU.	Almost all respondents agreed and a few disagreed.	<a href="#">July 2025</a> : The IASB tentatively decided: (a) to remove the requirement for an entity to use pre-tax cash flows and a pre-tax discount rate for calculating value in use; and (b) to require an entity to disclose whether the discount rate used in calculating value in use is pre-tax or post-tax.
Subsidiaries without public accountability	To require an eligible subsidiary to disclose: (a) expected synergy information; (b) the strategic rationale for a business combination; (c) information about the contribution of the acquired business; and	(a) Many respondents agreed but many others disagreed. Most of the respondents who disagreed also disagreed with disclosing expected synergy information more generally for all entities.	To be discussed at a future meeting.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
	(d) whether the discount rate used in an impairment test is pre-tax or post-tax.	(b–d) most respondents agreed.	
Transition	<p>(a) To require entities already applying IFRS Accounting Standards to apply the amendments prospectively with earlier application permitted; and</p> <p>(b) no transition relief for first-time adopters.</p>	<p>(a) Most respondents agreed and some disagreed, particularly with the proposed transition requirements for IAS 36; and</p> <p>(b) most respondents agreed and some disagreed.</p>	To be discussed at a future meeting.