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## IASB® meeting

Date	<b>May 2026</b>
Project	<b>Business Combinations—Disclosures, Goodwill and Impairment</b>
Topic	<b>Population for expected synergy information</b>
Contacts	Akshaya Megharikh (akshaya.megharikh@ifrs.org)

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## Purpose and structure

1. This paper updates our analysis of the proposed requirement to disclose quantitative information about expected synergies included in the Exposure Draft [Business Combinations—Disclosures, Goodwill and Impairment](#) (Exposure Draft). Specifically, this paper analyses the population of business combinations for which to require an entity to disclose expected synergy information.
2. This paper is structured as follows:
  - (a) background (paragraphs 4–10);
  - (b) disclosure only for strategic business combinations (paragraphs 11–21);
  - (c) disclosure only if goodwill is recognised (paragraphs 22–28);
  - (d) disclosure for individually immaterial business combinations (paragraphs 29–34); and
  - (e) summary of staff views (paragraph 35).
3. This paper does not have any questions for the IASB. Agenda Paper 18A asks whether IASB members have any questions or comments on all of the agenda papers for this meeting.

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## Background

### *Exposure Draft proposals*

4. The [Exposure Draft](#) proposed to require an entity to disclose quantitative information about synergies expected from combining the operations of an acquiree and an acquirer (expected synergy information) including a description of expected synergies by category (for example, revenue synergies, cost synergies and each other type of synergy) and for each category of synergies:
  - (a) the estimated amounts or range of amounts of the expected synergies;
  - (b) the estimated costs or range of costs to achieve these synergies; and
  - (c) the time from which the benefits from the synergies are expected to start and how long they are expected to last.
  
5. Applying the proposals, an entity would:
  - (a) be required to disclose expected synergy information (as explained in paragraph 4) for each business combination that occurs during a reporting period and in aggregate for individually immaterial business combinations<sup>1</sup>;
  - (b) be required to disclose expected synergy information only in the year of acquisition; and
  - (c) not be required to disclose information subsequently about whether it has realised those expected synergies unless realising synergies is an acquisition-date key objective or target for a strategic business combination.<sup>2</sup>

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<sup>1</sup> Paragraph B65 of IFRS 3 says 'For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by paragraph B64(e)–(q).' This requirement would apply to the proposed requirement to disclose expected synergy information.

<sup>2</sup> Paragraphs BC161–BC163 of the [Basis for Conclusions](#) explain the interaction between the proposal to disclose expected synergy information with the proposal to disclose information about the performance of a business combination for a strategic business combination.

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**Redeliberation status**

6. [Agenda Paper 18E](#) for the IASB's December 2024 meeting (December agenda paper) summarised feedback specific to expected synergy information.
7. [Agenda Paper 18D](#) for the IASB's October 2025 meeting (October agenda paper) analysed that feedback and explained our initial views:
  - (a) that notwithstanding feedback from most respondents suggesting the IASB not require expected synergy information in financial statements, the IASB should continue to redeliberate requiring expected synergy information in financial statements; and
  - (b) about what information an entity should be required to disclose (summarised in paragraph A5 of Agenda Paper 18A for this meeting).
8. In the [October agenda paper](#), we had not reached a view on:
  - (a) the population of business combinations for which to require an entity to disclose expected synergy information; and
  - (b) whether to require an entity to disclose expected synergy information only for a business combination in which goodwill is recognised.
9. We suggested consulting on the topics in paragraph 8. At the IASB meeting, a few IASB members also asked us to consult on whether to require entities to disclose expected synergy information in aggregate for individually immaterial business combinations.
10. We have completed our consultations on these topics. This paper summarises feedback and updates our analysis. In particular, this paper analyses whether to restrict

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the population of business combinations for which to require disclosure of expected synergy information:

- (a) only for strategic business combinations<sup>3</sup> (paragraphs 11–21);
- (b) only for business combinations with recognised goodwill (paragraphs 22–28);  
and
- (c) in aggregate for individually immaterial business combinations that are material collectively (paragraphs 29–34).

## Disclosure only for strategic business combinations

### *Exposure Draft feedback and prior discussions*

- 11. Some respondents, particularly preparers and preparer groups suggested requiring expected synergy information only for strategic or the most important business combinations.
- 12. We acknowledged doing so would impose less costs on preparers and thought users might find expected synergy information for material, but not strategic, business combinations less useful than for strategic business combinations. We therefore consulted on the usefulness of requiring an entity to disclose expected synergy information for material, but not strategic business combinations.

### *Additional feedback*

- 13. Some users said expected synergy information would be useful for all material business combinations and would help users assess management's track record. One

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<sup>3</sup> The [Exposure Draft](#) proposed requiring an entity to disclose performance information for only strategic business combinations—a subset of material business combinations. [Agenda Paper 18B](#) of the IASB's April 2026 meeting provides our analysis on the subset for performance information. The IASB could choose to only require expected synergy information for that same subset of business combinations.

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user said they could accept receiving expected synergy information only for strategic business combinations.

14. Most national standard-setters said the disclosure requirement could be limited to strategic business combinations—doing so would, in their view, better balance the cost and benefits of the proposal, reduce the volume of disclosures and be more useful. However, some national standard-setters said expected synergy information should be disclosed for all material business combinations, because the information is useful to users.
15. A few preparers and one auditor said expected synergy information should be disclosed for all material business combinations if the information is material (although they expressed concerns about the auditability of the information and the commercially sensitive nature of the information). However, one auditor said the requirement could be limited to strategic business combinations.
16. Feedback during outreach also indicated that expected synergies would often be disclosed as a key objective or target in a strategic business combination, so requiring disclosure of expected synergy information only for strategic business combinations might not result in much additional information being disclosed.

### ***Updated analysis***

17. Feedback from users suggests the information is useful for all material business combinations.
18. As Appendix A of the [October agenda paper](#) explains, we think the IASB should clarify that an entity would be required to disclose expected synergy information only if the entity has already considered that information.<sup>4</sup> Consequently, the information

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<sup>4</sup> We acknowledge feedback about clarifying whether KOT and expected synergy information is based on what the entity expected when agreeing on the price to acquire the business or at the acquisition date (paragraph 33 of Agenda Paper 18B for this meeting). In our view, the disclosure proposals were intended to require KOTs at the acquisition date, however, we understand the basis for the feedback and plan to further analyse and clarify this matter at a future IASB meeting.

needed to make this disclosure would be available and would not result in significant additional monetary costs for preparers.

19. We separately considered concerns about commercial sensitivity and auditability of the proposed disclosure requirement. Agenda Papers [18A](#) and [18B](#) for the IASB's June 2025 meeting analysed and presented our initial views on the proposed exemption in the [Exposure Draft](#). We continue to think that the exemption would appropriately address concerns about commercial sensitivity and litigation risk. Agenda Paper 18B for this meeting presents our analysis of auditability concerns.
20. Having considered the additional feedback, we think expected synergy information is useful, and disclosure should therefore be required, for all material business combinations. We think the clarification in paragraph 18 together with the exemption and changes we suggest in response to auditability considerations (as discussed in Agenda Paper 18B) appropriately balance the costs of providing this information and the expected benefits. Because our view is not to limit the requirement to disclose expected synergy information to strategic business combinations, we have not further analysed the feedback in paragraph 16.

### ***Staff view***

21. In our view, the IASB should require disclosure of expected synergy information for all material business combinations and not only for strategic business combinations.

## **Disclosure only if goodwill is recognised**

### ***Exposure Draft feedback and prior discussions***

22. A few respondents asked whether to disclose synergies management expects to derive from all business combinations or only from business combinations resulting in goodwill being recognised. These respondents said an entity might, for example, not

recognise goodwill in a bargain purchase business combination but may still expect synergies from that business combination.

23. We acknowledged that in most business combinations, expected synergies is a part of goodwill, and thought that while possible, it is unlikely for an entity to expect synergies in a bargain purchase. We consulted on how often entities might expect synergies for business combinations which do not result in recognised goodwill and whether to require disclosure of expected synergy information for such business combinations.

#### ***Additional feedback and updated analysis***

24. Some respondents said it would be uncommon for entities to expect synergies for business combinations which do not result in recognised goodwill so it would be acceptable to not disclose expected synergy information in such cases.
25. Most respondents said disclosure of expected synergy information should be required even for business combinations which do not result in recognised goodwill. They said:
- (a) synergies could be expected even from a business combination that does not result in the recognition of goodwill. For example, one member said while an entity might commonly not recognise goodwill in business combinations in some industries (for example, oil and gas or mining), it might nonetheless expect synergies from those business combinations.
  - (b) goodwill is an accounting / mathematical calculation, independent of the existence of synergies an entity might expect from a business combination.
26. As Appendix A of the [October agenda paper](#) explains, we think the IASB should clarify that an entity would be required to disclose expected synergy information only if the entity has already considered that information.
27. Having considered the additional feedback, we continue to think the IASB should require disclosure of expected synergy information if the entity has already considered

that information irrespective of whether the business combination resulted in recognised goodwill. We also think limiting the requirement to business combinations that result in the recognition of goodwill would introduce unnecessary complexity.

### **Staff view**

28. In our view, the IASB should require entities to disclose expected synergy information irrespective of whether the entity recognised goodwill from that business combination.

## **Disclosure for individually immaterial business combinations**

### ***Exposure Draft feedback and prior discussions***

29. A few respondents disagreed with the proposal to disclose expected synergy information in aggregate for individually immaterial business combinations occurring during the reporting period that are material collectively. They said the information would be onerous to track, might not be available and might not be useful.
30. As Appendix A of the [October agenda paper](#) explains, we think the IASB should clarify that an entity would be required to disclose expected synergy information only if the entity has already considered that information. As paragraphs 61–62 of the [October agenda paper](#) explain, we thought the IASB should not require entities to disclose aggregated expected synergy information for individually immaterial business combinations that are material collectively, because the information might not be readily available or might not be prepared on a consistent basis for all individually immaterial business combinations, so the resulting disclosure of aggregate information would be less useful.
31. At its October 2025 meeting, a few IASB members asked us to consult on whether users find information about expected synergies in aggregate for individually

immaterial business combinations that are material collectively useful, and if entities should therefore be required to disclose this information.

***Additional feedback and updated analysis***

32. Most respondents (including users) said entities should not be required to disclose expected synergy information in aggregate for individually immaterial business combinations that are material collectively. However:
- (a) a few users and one preparer who said entities should not be required to disclose aggregated information said they would not want such synergies to be excluded from disclosure if those synergies were material;
  - (b) one user said aggregated information about expected synergies for immaterial business combinations would be useful; and
  - (c) two users and one national standard-setter said the information would be useful for a series of individually immaterial business combinations entered into to achieve the same strategic objective, or step acquisitions.
33. Having considered the additional feedback, we continue to think aggregated information about individually immaterial business combinations would not be very useful, and should not be required. We acknowledge information about individually immaterial business combinations could provide useful information about a series of business combinations. However, we think the cost to disclose that information would outweigh any potential benefits to users. We note in particular that the information might not be readily available or not be prepared on a consistent basis which would reduce the information's usefulness.

***Staff view***

34. In our view, the IASB should not require disclosure of expected synergy information in aggregate for individually immaterial business combinations that are material collectively.

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## Summary of staff views

35. We think the IASB should:
- (a) retain the proposal to disclose expected synergy information for all material business combinations (that is, not restrict disclosure to only strategic business combinations or to only business combinations with recognised goodwill); and
  - (b) remove the proposed requirement to disclose expected synergy information in aggregate for individually immaterial business combinations that are material collectively.