

STAFF PAPER

September 2020

IASB® meeting

Project	Business Combinations under Common Control		
Paper topic	Comment period		
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Purpose of this paper

1. At the February 2020 meeting, the International Accounting Standards Board (Board) decided to begin the balloting process for a discussion paper on Business Combinations under Common Control. The discussion paper is expected to be published in November 2020.
2. This paper asks the Board to set the comment period for the discussion paper.

Structure of this paper

3. This paper provides:
 - (a) background (paragraphs 4–6); and
 - (b) staff analysis and recommendation (paragraphs 7–8).

Background

4. Paragraph 4.17 of the *Due Process Handbook* states that a comment period for a discussion paper is at least 120 days (minimum comment period). If the topic is narrow in scope and urgent, the Board may set a shorter comment period for a discussion paper.

5. In February 2020 [Agenda Paper 23B Due Process](#), the staff suggested that a comment period shorter than the minimum period is not appropriate for the project. The staff also suggested that the Board may prefer to allow a comment period longer than the minimum comment period (for example, 180 days) if the Board concludes that stakeholders will need that longer period to develop and submit fully considered comments on the Board's preliminary views.
6. In April 2020, the Board held a supplementary meeting to discuss the impact of the coronavirus pandemic (covid-19). At that meeting, the Board decided to extend the consultation period on due process documents that had already been published to provide more time for stakeholders to develop high-quality responses.

Staff analysis and recommendation

7. The staff think that allowing a comment period longer than the minimum comment period for the forthcoming discussion paper would:
 - (a) allow debate to mature and give stakeholders sufficient time to draw up high-quality feedback that is more likely to be based on a thorough consideration and discussion of the Board's preliminary views rather than just on instinctive reactions reflecting particular entities' existing practices;
 - (b) allow stakeholders to better manage their schedules and allocate their resources given that the Board expects to consult on a number of projects in 2020–2021 (including, for example, Rate-regulated Activities, Management Commentary, the 2020 Agenda Consultation and the Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12); and
 - (c) further alleviate potential constraints on stakeholder resources brought by covid-19.

8. In the light of these considerations, the staff recommend that the Board allows a comment period of 180 days. The staff think that this will give stakeholders sufficient time to develop and submit well considered comments on the Board’s preliminary views.

Question for the Board

Does the Board agree with the staff recommendation in paragraph 8 to set a 180-day comment period for the discussion paper on business combinations under common control?