
IASB[®] meeting

Date	November 2023
Project	Business Combinations under Common Control
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[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Background

1. The International Accounting Standards Board (IASB) is discussing the project direction for its project on business combinations under common control (BCUCCs). In its April 2023 meeting, the IASB discussed three options for project direction:
 - (a) Option I—develop recognition, measurement and disclosure requirements (that is, do not change project direction);¹
 - (b) Option II—develop disclosure-only requirements; and
 - (c) Option III—develop no recognition, measurement or disclosure requirements (that is, discontinue the project).
2. In its September 2023 meeting, the IASB discussed stakeholders' feedback on the project direction and our analysis of that feedback. [Agenda Paper 23](#) of the IASB's September 2023 meeting summarises key messages from, and trends in, stakeholders' feedback.

¹ As paragraph A4 of Agenda Paper 23A explains, if the IASB chooses Option I it would then need to decide which specific recognition, measurement and disclosure requirements to develop, which might differ from the preliminary views in the Discussion Paper *Business Combinations under Common Control*.

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3. As discussed at the IASB's September 2023 meeting, we plan to ask IASB members to decide:
 - (a) whether to choose Option I or change project direction; and
 - (b) if the IASB decides to change project direction, whether to choose Option II or Option III.

 4. [Agenda Paper 23C](#) of the IASB's September 2023 meeting explained our initial views. The IASB was not asked to make any decisions in its September 2023 meeting because we thought:
 - (a) the IASB should first consider what a disclosure-only project could cover, which could affect IASB members' views on:
 - (i) whether to choose Option I or change project direction; and
 - (ii) if the IASB decides to change project direction, whether to choose Option II or Option III; and
 - (b) it would be helpful for the IASB to first discuss and provide feedback on our initial views in the agenda papers for the IASB's September 2023 meeting and anything IASB members would like us to research or analyse further.

 5. Since the IASB's September 2023 meeting, we have:
 - (a) analysed what a disclosure-only project could cover; and
 - (b) updated our analysis, for example, to reflect IASB members' comments during the IASB's September 2023 meeting.

Agenda papers for this meeting

6. Agenda Paper 23A provides an updated assessment of the Due Process Handbook requirements for a standard-setting project, incorporating our analysis of a disclosure-only project (Agenda Paper 23B) and IASB members' comments during the IASB's September 2023 meeting. Agenda Paper 23A also includes our recommendations, summarised in paragraph 9.

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7. Agenda Paper 23B provides an initial analysis of what a disclosure-only project could cover, considering the benefits of choosing Option II and the resources necessary. We have not performed further outreach—if the IASB chooses Option II, Agenda Paper 23A suggests next steps including potential further outreach.
 8. The questions for the IASB are included in Agenda Paper 23A. There are no questions in Agenda Paper 23B—IASB members can raise any comments or questions on our analysis in Agenda Paper 23B when responding to the questions in Agenda Paper 23A.

Staff recommendations

9. As a result of our analysis in Agenda Papers 23A and 23B, we recommend:
 - (a) the IASB changes project direction; and
 - (b) if the IASB agrees with our recommendation to change project direction, the IASB chooses Option III (discontinue the project).
10. Agenda Paper 23A asks the IASB if it agrees with our recommendations.