Staff paper

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Project	**Business Combinations—Disclosures, Goodwill and Impairment**
Topic	**Feedback overview**
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Introduction

1. As Agenda Paper 18 explains, this paper:

    (a) summarises stakeholder engagement activities performed in relation to the Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment* (Exposure Draft); and

    (b) provides a high-level overview of feedback on the Exposure Draft.

2. The paper is structured as follows:

    (a) background (paragraphs 3–8);

    (b) overview of feedback (paragraphs 9–61);

    (c) question for the IASB;

    (d) Appendix A—Sources of feedback; and

    (e) Appendix B—Quantifying feedback.

Background

3. Business combinations are often significant transactions for the entities involved and play an important role in the global economy. IFRS 3 *Business Combinations* specifies how an entity accounts for a business combination.

4. Through its post-implementation review (PIR) of IFRS 3 and subsequently, the IASB was informed that:

   (a) users of financial statements (users) need better information to help them assess the performance of a business combination. In the absence of other information about the performance of a business combination, some users use information provided by the impairment test of cash-generating units (CGUs) containing goodwill in IAS 36 *Impairment of Assets* as a proxy for assessing the success of a business combination.

   (b) the impairment test of CGUs containing goodwill is complex, time-consuming and expensive and that impairment losses are sometimes recognised too late (that is, there appears to be a delay between an impairment occurring and an impairment loss being recognised in financial statements).

5. The project Business Combinations—Disclosures, Goodwill and Impairment aims to respond to these concerns. The project's objective is to explore whether entities can, at a reasonable cost, provide users with more useful information about business combinations. Providing users with such information would help them make better decisions by allowing them to better assess:

   (a) the performance of an entity's business combinations; and

   (b) how efficiently and effectively management has used the entity's economic resources to acquire these businesses.

6. The Exposure Draft proposed a package of amendments designed to meet the project's objective. These proposed amendments built on the preliminary views in the Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment*

and reflected the IASB's considerations of feedback on those preliminary views. The proposed amendments in the Exposure Draft mainly related to:

(a) the disclosure requirements in IFRS 3 (see paragraph 15); and

(b) the impairment test in IAS 36 (see paragraph 47).

7. Related to the proposed amendments to IFRS 3 and IAS 36, the IASB also proposed changes to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (see paragraph 58).

8. In response to feedback from the PIR of IFRS 3, the IASB also explored, as part of this project, whether to reintroduce amortisation of goodwill. On balance, considering the extensive evidence collected, the IASB concluded it had no compelling case to justify reintroducing amortisation of goodwill and so decided to retain the impairment-only model for the subsequent accounting for goodwill. Paragraphs BC228–BC251 of the Basis for Conclusions on the Exposure Draft explains the IASB's rationale for this decision.

Overview of feedback

9. The IASB received feedback on the Exposure Draft from comment letters and outreach meetings. Appendix A provides further information on the sources of feedback and Appendix B explains how we quantified the feedback.

10. Respondents generally provided more feedback/ raised more concerns about proposed amendments to IFRS 3 and provided less feedback on the proposals to amend the impairment test in IAS 36.

11. The paragraphs below provide an overview of key matters raised in feedback. Feedback has been grouped as follows:

(a) feedback on the project objective (paragraphs 13–14);

(b) feedback on the proposed amendments to IFRS 3 (paragraphs 15–46);

(c) feedback on the proposed amendments to IAS 36 (paragraphs 47–57); and

(d) feedback on other matters (paragraphs 58–61).

Project objective

Background

12. As paragraph 5 explains, the project's objective is to explore whether entities can, at a reasonable cost, provide users with more useful information about business combinations.

Feedback

13. Although not specifically asked, some respondents comment on the project objective. Most of these respondents agree with the objective of providing users better information about business combinations. Some respondents highlight the importance of this information for users.

14. However, some respondents' express concerns about whether the proposals go far enough, particularly to address concerns about impairment losses on goodwill sometimes being recognised too late. Many of these respondents suggest reintroducing amortisation of goodwill (see paragraph 60–61 for further details).

Proposed amendments to IFRS 3

Background

15. The Exposure Draft proposed amending IFRS 3 by:

(a) adding disclosure objectives;

(b) adding disclosure requirements, including:

(i) requiring an entity to disclose information about the entity's acquisition-date key objectives and the related targets for a subset of business combinations (strategic business combinations) and the extent to which those key objectives and targets are met in subsequent periods (information about the performance of a business combination);

(ii) requiring an entity to disclose quantitative information about synergies expected to arise from a business combination (expected synergies); and

(iii) exempting, in specific circumstances, an entity from disclosing some of the information in paragraphs (i) and (ii) (proposed exemption); and

(c) amending some disclosure requirements in IFRS 3.

Feedback

Structure of section

16. The IASB received some similar feedback on the proposals to require an entity to disclose information about the performance of a business combination (paragraph 15(b)(i)) and expected synergies (paragraph 15(b)(ii)) in financial statements. Consequently, this section first discusses that feedback (see paragraphs 19–23).

17. This section then discusses feedback specific to the proposals relating to disclosing information about the performance of a business combination. This includes feedback on the proposals relating to:

(a) strategic business combinations (paragraphs 24–32); and

(b) management approach (paragraphs 33–37).

18. This section then goes on to discuss:

(a) feedback specific to the proposal to disclose expected synergies (paragraphs 38–40);

(b) feedback on the proposed exemption (paragraphs 41–45); and

(c) feedback on other disclosure proposals (paragraph 46).

Requiring information about performance of a business combination and expected synergies in financial statements

19. As paragraph 16 explains, we received some similar feedback on the proposals to require an entity to disclose information about the performance of a business combination and expected synergies in financial statements.

20. There were divergent views, particularly between preparers and users on these proposals.

    (a) Almost all users agree with the proposal to require an entity to disclose information about the performance of a business combination and many users agreed with the proposal to require an entity to disclose information about expected synergies. Users generally confirm the need for this information and say the information would help users assess management's decision to acquire businesses.

    (b) Many preparers also acknowledge users' need for better information about business combinations and steps taken by the IASB since publishing the Discussion Paper to better balance users' need for this information with preparers' concerns (including requiring disclosures about the performance of a business combination for only a subset of material business combinations and the proposed exemption). However, most preparers continue to disagree with requiring this information in financial statements.

21. Both organisations representing a group of securities regulators and some regulators support requiring the proposed disclosures. These respondents say the information would help users assess the performance of a business combination and stress the importance of having robust definitions and clear guidelines to enable enforcement. Some other regulators disagree for reasons consistent with those discussed in paragraph 23 below.

22. Feedback from auditors highlights concerns about a possible expectations gap that could arise as a consequence of requiring these disclosures in financial statements.

Some auditors say they understand that the IASB is not expecting auditors to verify the reasonableness of the information (including the appropriateness and achievability of management's key objectives and targets for a business combination and of expected synergies). However, they say users might misunderstand the audit work done and conclude that auditors have audited the reasonableness of the information.

23. Respondents who disagree with requiring the proposed information in financial statements generally give the following main reasons:

(a) Conceptual reasons—the information is forward-looking and does not directly relate to assets and liabilities recognised in financial statements. Some also say the metrics used to set and measure targets might be those that are not typically reported in financial statements (for example, market share or climate-related targets) and come from sources outside an entity's existing financial reporting system. Consequently, it would be inappropriate to require the information to be disclosed in financial statements. Many respondents suggest requiring an entity to disclose this information outside financial statements, for example in management commentary.

(b) Auditability and expectations gap—the information could give rise to an audit expectation gap (see paragraph 22 above) and be difficult and costly to audit.

(c) Commercial sensitivity and litigation risks arising from disclosure of forward-looking information (proprietary costs)—the information could be so commercially sensitive that it should not be required in financial statements (see also specific feedback on the proposed exemption in paragraphs 41–45). Respondents also say the forward-looking nature of the information could result in undue litigation risks and that entities may not be able to benefit from 'safe-harbour' protections in some jurisdictions which provide entities with protection from legal action in respect of forward-looking information disclosed in documents other than financial statements.

(d) Monetary costs—an entity might be required to establish new systems and control processes to disclose this information in financial statements and support the audit process, which may be costly.

Strategic business combinations

24. The IASB proposed to require an entity to disclose information about performance of a business combination for only a subset of material business combinations—which the Exposure Draft referred to as 'strategic' business combinations. The IASB's intention was to require an entity to disclose information about the performance of a business combination for only the most important business combinations, while also addressing stakeholder concerns about the volume of disclosures being costly and onerous. The IASB proposed that a business combination meeting any one of the following thresholds would be a strategic business combination:

(a) quantitative thresholds—any one of revenue, operating profit and assets of the acquired business constitutes at least 10% of the acquirer's corresponding amounts; or

(b) qualitative thresholds—the business combination results in a company entering a new major line of business or geographical location.

25. Respondents generally support requiring an entity to disclose information about the performance of a business combination only for a subset of material business combinations. A few disagree and suggest requiring an entity to disclose information about the performance of a business combination for all material business combinations.

26. Notwithstanding general support for identifying a subset of business combinations, many respondents disagree with applying a threshold approach as proposed.

27. Many respondents who disagree say the proposed threshold approach:

(a) would not align with the principle-based nature of IFRS Accounting Standards; and

(b) might not accurately reflect management's vision for business combinations.

28. Some respondents say the term 'strategic' is confusing.

29. Most respondents disagree with the specific thresholds proposed and say the thresholds are inflexible and might lead to unintended consequences. In particular, these respondents say:

(a) operating profit can often be volatile. This could lead to an entity identifying an immaterial business combination as a strategic business combination in a year when the entity has low operating profit.

(b) a quantitative threshold of 10% is too low and could capture too many business combinations—some of these respondents highlight local regulations that trigger requirements to disclose specific information about a business combination (outside financial statements) that use a higher threshold. Some also say a 10% threshold does not align with the notion of a 'strategic' business combination as described in the Basis for Conclusions to the Exposure Draft.[1]

(c) the qualitative thresholds could be judgemental and subjective to apply and meeting the qualitative thresholds, for example, entering a new geographical area of operation, does not necessarily mean a business combination is 'strategic'.

30. Most respondents who express concerns with the proposed threshold approach suggest using a more principles-based approach such as:

(a) an indicator approach that would define a 'strategic business combination' and provide a list of indicators for consideration; or

[1] Paragraph BC54 of the Basis for Conclusions to the Exposure Draft notes that a strategic business combination would be one for which failure to meet any one of an entity's acquisition-date key objectives would put the entity at serious risk of failing to achieve its overall business strategy.

(b) a rebuttable presumption approach that would require an entity to presume a business combination is strategic if it meets particular thresholds or criteria but would allow the entity to rebut that presumption in some situations.

31. Some who suggest using a rebuttable presumption approach also suggest requiring an entity to disclose the reason for rebuttal.

32. Some respondents agree with the proposed threshold approach. These respondents say the proposal is practical and that 10% is a reasonable quantitative threshold to use to identify the most important business combinations.

Management approach

Level of management

33. The IASB proposed requiring an entity to disclose information about the performance of a business combination that is reviewed by the entity's key management personnel (as defined in IAS 24 *Related Party Disclosures*).

34. Most respondents support the proposed management approach.

35. Some respondents disagree. Of these:

(a) many disagree more generally with requiring an entity to disclose information about the performance of a business combination in financial statements (see paragraphs 19–23);

(b) many suggest returning to the preliminary view in the Discussion Paper and requiring an entity to disclose information reviewed by the entity's Chief Operating Decision Maker (CODM) as described in IFRS 8 *Operating Segments*. These respondents say the function of a CODM more closely aligns with the notion of a 'strategic' business combinations.

(c) some suggest not identifying the level of management for the proposed disclosure requirement; and

(d) a few suggest not adopting a management approach and instead prescribing the information an entity should disclose.

Time period

36. The IASB proposed requiring an entity to disclose information about the performance of a business combination for as long as key management personnel review the performance of the business combination. The IASB proposed additional disclosure requirements when key management personnel:

    (a) have not started reviewing and do not plan to review whether an acquisition-date key objective and the related targets are being met; and

    (b) stop reviewing whether an acquisition-date key objective and the related targets for the strategic business combination are met before the end of the second annual reporting period after the year of acquisition.

37. Many respondents support requiring an entity to disclose the information for as long as that information is reviewed by management. However, some respondents disagree and suggest, for example:

    (a) permitting entities to stop disclosing this information when management consider the information to no longer be useful for users; or

    (b) allowing an entity to stop disclosing this information after a period of 3–5 years, even if management continues to review the information.

Expected synergies

38. Paragraphs 19–23 discuss feedback that was common to requiring an entity to disclose information about the performance of a business combination and expected synergies.

39. In addition to reasons discussed in paragraphs 19–23, respondents say expected synergies would be subjective and difficult to quantify with precision. Some respondents say the cost to quantify expected synergies would exceed the benefits to users. A few also say this information might not be available at the time of a business combination.

40. Comments received by a few respondents include:

(a) disclosure of expected synergies should be required only for strategic business combinations;

(b) requiring an entity to disclose expected synergies only in the year of acquisition with no follow-up is not useful;

(c) the lack of a definition of 'synergy' could lead to diversity in how entities determine expected synergies and consequently, a lack of comparability across entities; and

(d) requests for more application guidance and illustrative examples.

Proposed exemption

41. The IASB proposed exempting an entity from disclosing some information about the performance of a business combination or expected synergies when such a disclosure can be expected to prejudice seriously the achievement of any of the entity's acquisition-date key objectives for a business combination. The IASB also proposed including some application guidance to help entities apply the proposed exemption.

42. Respondents generally agree with the proposed exemption. However, many say the scope of the exemption is restrictive and does not cover all situations in which information about the performance of a business combination and/or expected synergies would be so commercially sensitive that it should not be disclosed in financial statements. These respondents suggest expanding the scope of the proposed exemption to also cover situations in which disclosing the proposed information might not seriously prejudice the key objectives of that business combination but might, for example:

(a) have negative consequences on a future business combination; and

(b) expose the entity to social, operational and legal risks .

43. Some respondents who agree with the need for an exemption express concern about the potential for diversity in the application of the exemption. These respondents

request further application guidance and/or illustrative examples to help entities apply the exemption consistently.

44. Some respondents say disclosing the fact that an entity has applied the exemption and the reasons it has not disclosed the item of information could also be commercially sensitive and consequently, should not be required. However, a few respondents explicitly support requiring an entity to disclose this information.

45. A few respondents (including investor groups, regulators and national standard-setters) say the proposed exemption would be subjective and open to interpretation and possible misuse. These respondents generally suggest further restricting the scope of the exemption, clarifying how often the IASB expects the exemption to be used and providing more application guidance/ illustrative examples. A few respondents say the IASB should not provide any exemption.

Other disclosure proposals

46. Many respondents comment on the other proposals related to IFRS 3. Key highlights on some of these other proposals include:

(a) *adding disclosure objectives* (see paragraphs BC23–BC28 of the Basis for Conclusions to the Exposure Draft for further information about the proposal)

Most respondents agree with the proposed disclosure objectives. Some who disagree say the information an entity would be required to disclose to meet these objectives (for example, information about the performance of a business combination) should be provided outside financial statements (see paragraphs 19–23 for further details on the reasons for this view).

(b) *replacing the requirement to disclose 'primary reasons for the business combination' with a requirement to disclose 'strategic rationale for the business combination'* (see paragraphs BC23–BC28 of the Basis for Conclusions to the Exposure Draft for further information about the proposal)

Most respondents agree. A few say the proposed requirement is similar to the existing requirement and would not result in a significant change in practice.

(c) *information about the contribution from an acquired business* (see paragraphs BC166–BC177 of the [Basis for Conclusions to the Exposure Draft]() for further information about the proposal)

Many respondents agree. Many disagree with the proposal to specify that the basis on which an entity prepares the information required by paragraph B64(q)(ii)—combined entity information—is an accounting policy. They say it would be difficult to develop a consistent accounting policy for preparing this information because the information available to prepare this disclosure varies by business combination. Those respondents suggest requiring an entity to disclose the basis on which it prepared the information instead.

Proposed amendments to IAS 36

Background

47. The IASB proposed to amend IAS 36 by:

(a) clarifying how an entity allocates goodwill to CGUs. Among other things, the IASB proposed to:

(i) replace the phrase 'goodwill is monitored' in paragraph 80(a) of IAS 36 with 'business associated with goodwill is monitored'; and

(ii) to clarify that paragraph 80(b) of IAS 36 is a ceiling—and not a default—for the level at which to allocate goodwill.

(b) requiring an entity to disclose in which reportable segment a CGU or group of CGUs containing goodwill is included.

(c) changing how an entity calculates value in use (VIU) by removing the requirements:

(i) to exclude future restructurings and asset enhancement cash flows; and

(ii) to use pre-tax cash flows and pre-tax discount rates.

Feedback

Structure of section

48. This section covers feedback on the proposed amendments to IAS 36 related to:

(a) allocating goodwill to a CGU (paragraphs 49–50);

(b) requiring an entity to disclose in which reportable segment a CGU or group of CGUs containing goodwill is included (paragraphs 51–52);

(c) removing the requirement to exclude future restructurings and asset enhancement cash flows (paragraphs 53–56(c)); and

(d) removing the requirement to use pre-tax cash flows and pre-tax discount rates (paragraph 57).

Allocating goodwill to a CGU

49. Many respondents agree that the proposal could reduce shielding, however many disagree (including almost all respondents who suggest reintroducing amortisation of goodwill) and say the change would have a limited effect on reducing shielding.

50. Many respondents who disagree, and a few who agree, suggest providing more clarity or application guidance, such as:

(a) additional guidance/examples to help entities understand how to allocate goodwill to CGUs; or

(b) defining management[2].

[2]Paragraph 80(a) of IAS 36 requires an entity to allocate goodwill to CGUs at the lowest level monitored for internal management purposes

Requiring an entity to disclose in which reportable segment a CGU or group of CGUs containing goodwill is included

51. Most respondents agree and say the information would be useful and/or would not be not costly to disclose. Some say this proposal would not reduce management over-optimism.

52. A few auditors and regulators, while not necessarily disagreeing with the proposed requirement, say management over-optimism is not a problem. For example, one auditor says the impairment test works as intended and provides relevant outcomes.

Removing the requirement on restructuring and asset enhancement cash flows in calculating VIU

53. The requirement to exclude restructuring and asset enhancement cash flows results in management having to adjust their financial forecasts or budgets for such cash flows—such adjustments can be subjective, arbitrary and complex. The IASB proposed to remove this requirement to:

    (a) improve the information provided by the impairment test by bringing the calculation closer to the cash forecasts used by an entity's management; and

    (b) reducing the cost and complexity of the impairment test by removing the need to make adjustments that can be subjective, arbitrary and complex.

54. Most respondents agree with removing this requirement for reasons consistent with those considered by the IASB (see paragraph 53). Some who agree suggest providing further application guidance such as defining 'current condition' and 'current potential' of an asset; or adding illustrative examples.

55. Many respondents disagree. Many of these respondents say removing this requirement could increase the level of judgement required to calculate VIU and increase management over-optimism. Some who disagree say the proposal will worsen the problem of impairment losses on goodwill sometimes being recognised too late.

56. Other main comments raised by respondents on this proposal include:

(a) the proposed changes bring VIU closer to fair value less cost of disposal (FVLCD) and suggest requiring an entity to calculate recoverable amount using only one of these two methods (some respondents);

(b) an entity should be required to separately disclose restructuring and asset enhancement cash flows included in the VIU calculation (some respondents); and

(c) the calculation of FVLCD already includes future restructuring and asset enhancement cash flows—consequently, there is no need to amend VIU to include these cash flows (a few respondents).

Removing the requirement to use pre-tax cash flows and pre-tax discount rates

57. Almost all respondents agree. However, many request guidance on how to incorporate tax effects when calculating VIU on a post-tax basis.

Other matters

Subsidiaries without public accountability

58. As paragraph BC255 of the Basis for Conclusions on the Exposure Draft explains, the IASB proposed to amend IFRS 19 to require an eligible subsidiary to disclose, amongst other things:

(a) expected synergies;

(b) strategic rationale for a business combination; and

(c) information about the contribution of an acquired business.

59. Many respondents commenting on these proposed amendments comment only on the proposal to require entities applying IFRS 19 to disclose expected synergies. Of those respondents, most disagree with the proposal because they do not agree with

disclosing expected synergies more generally (see paragraphs 19–23 and paragraphs 38–40).

Reintroducing amortisation of goodwill

60. Some respondents suggest reintroducing the amortisation of goodwill. Most of these respondents say goodwill is a wasting asset.

61. Respondents advocating for reintroducing amortisation of goodwill make arguments similar to those the IASB previously considered. For example, that amortising goodwill could reduce shielding or that amortisation of goodwill would be a better way to address concerns about the timeliness of impairment losses than the proposed disclosures about the performance of business combination.

Question for the IASB
Do IASB members have any questions or comments on this overview?

Appendix A—Sources of feedback

A1. This appendix provides further information about feedback we received from:

(a) comment letters (paragraphs A3–A4); and

(b) outreach meetings (paragraphs A5–A6).

A2. Paragraph A7 summarises total number of respondents who provided feedback on the Exposure Draft, either through comment letters or in outreach meetings.

Comment letters

A3. We received 137 comment letters on the Exposure Draft by the comment letter deadline[3]. All comment letters are available on our website.

A4. The tables below depict the 137 comment letters respondents by:

(a) geographical region; and

(b) stakeholder type.[4]

Table: Grouping by geographical region

Geographical region	Comment letters by region	Percentage
Europe	51	37.2%
Asia-Oceania	35	25.5%
Americas	29	21.2%
Global	15	10.9%
Africa	7	5.1%
Total	**137**	

Table: Grouping by stakeholder type

[3] As at the date of posting this agenda paper, we received six comment letters after the comment letter deadline which are also available on our website.

[4] Responses from representative groups are included as part of the responses from that group (for example, responses from preparer representative groups are included as part of the preparer group). If known, letters from individuals have been categorised based on the individual's background (for example, if an academic submitted a comment letter in their personal capacity, it has been included in the academic group).

Stakeholder type	Comment letters by stakeholder type	Percentage
Preparers/ preparer groups	56	40.9%
National standard-setters/ national standard-setter groups	26	19.0%
Accounting bodies	17	12.4%
Accounting firms	12	8.8%
Regulators/ organisations representing groups of regulators	10	7.3%
Users/ user groups	8	5.8%
Academics	3	2.2%
Individuals	3	2.2%
Valuation specialists	2	1.5%
Total	**137**	

Outreach meetings

A5. During the comment period, IASB members and/or members of the IASB's technical staff attended 110 meetings with stakeholders across different regions and stakeholder groups. The table below depicts the number of meetings by stakeholder type.

Table: Grouping by stakeholder type

Stakeholder type	Number of meetings by stakeholder type	Percentage
Preparer/ preparer groups	41	37.3%
Users/ User groups	23	20.9%
Mixed	21	19.1%
National standard-setters/ national standard-setter groups	13	11.8%
Accounting firms	7	6.4%

Stakeholder type	Number of meetings by stakeholder type	Percentage
Regulators/ organisations representing groups of regulators	3	2.7%
Academics	1	0.9%
Valuation specialists	1	0.9%
Total	**110**	

A6. These meetings included meetings with the IFRS Interpretations Committee and the IASB's consultative bodies, including:

(a) the Accounting Standards Advisory Forum;

(b) the Capital Markets Advisory Forum and Global Preparer Forum in a joint meeting;

(c) the Emerging Economies Group; and

(d) the Islamic Finance Consultative Group.

Total number of respondents

A7. Considering both the above sources of feedback (that is, comment letters and outreach meetings), in total we received feedback from 199 different stakeholders[5]. The tables below depict the 199 respondents by:

(a) geographical region; and

(b) stakeholder type

[5] We had outreach meetings with some stakeholders who also provided feedback in a comment letter. These stakeholders have been counted only once when counting the number of different stakeholders who provided feedback on the Exposure Draft. This is why the number of different stakeholders who provided feedback (ie 199) does not equal to the sum of number of comment letters (ie 137) and the number of outreach meetings (ie 110). We also met with few stakeholders more than once during the outreach period.

Table: Grouping by geographical region

Geographical region	Numbers by region	Percentage
Europe	77	38.7%
Asia-Oceania	53	26.6%
Americas	35	17.6%
Global	25	12.6%
Africa	9	4.5%
Total	**199**	

Table: Grouping by stakeholder type

Stakeholder type	Numbers by stakeholder type	Percentage
Preparer/ preparer groups	86	43.2%
National standard-setters/ national standard-setter groups	32	16.1%
Users/ user groups	25	12.6%
Accounting bodies	17	8.5%
Accounting firms	12	6.0%
Regulators/ organisations representing groups of regulators	11	5.5%
Mixed	7	3.5%
Academics	4	2.0%
Individuals	3	1.5%
Valuation specialists	2	1.0%
Total	**199**	

Appendix B—Quantifying feedback

B1. In this and future Agenda Papers, we will use the following terms to quantify the feedback of respondents on various topics:

Term	**Description**
Almost all	All except a very small minority
Most	A large majority, with more than a few exceptions
Many	A small majority or large minority
Some	A small minority, but more than a few
A few	A very small minority

B2. The IASB received feedback on all aspects of the Exposure Draft. However, not all respondents commented on all questions in the Exposure Draft. When using the terms described in paragraph B1 to quantify respondents' comments on an issue, these terms are, unless otherwise stated, defined by reference to the number of respondents who commented on that issue.

B3. References to 'respondents' refers to all stakeholders who commented, either through comment letters or during outreach meetings.

B4. Throughout the agenda papers for this meeting and future meetings, we have identified areas for which we received different messages from individual stakeholder groups or from specific geographies. Where we have not identified particular stakeholder groups or geographies, this means we received similar feedback from all respondents or there was no identifiable pattern to the responses.