
IASB[®] meeting

Date	April 2025
Project	Business Combinations—Disclosures, Goodwill and Impairment
Topic	Cover paper
Contacts	Richard Brown (rbrown@ifrs.org)

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Introduction and purpose

1. At its [March 2025](#) meeting, the International Accounting Standards Board (IASB) discussed conceptual concerns raised by respondents about requiring performance and expected synergy information in financial statements.
2. The IASB decided to continue to redeliberate the proposed requirements for an entity to disclose information about performance and expected synergies. The purpose of this meeting is to continue those redeliberations by discussing the proposals to require an entity to disclose information about its performance of a business combination for only a subset of business combinations. We plan to discuss:
 - (a) Agenda Paper 18A— Performance information subset—approach, which analyses whether to require performance information for only a subset of business combinations and, if so, how to identify the subset;
 - (b) Agenda Paper 18B— Performance information subset—thresholds and other matters, which analyses feedback on the proposed thresholds and other matters related to the identification of the subset; and
 - (c) Agenda Paper 18C— Performance information subset—evidence-based feedback, which summarises and analyses evidence-based feedback on the proportion of business combinations that would be captured applying the

proposed thresholds, including an academic study on the proposed quantitative thresholds.

3. Agenda Papers 18A and 18B reflect our initial analysis of the feedback and initial views on some aspects of that feedback. The papers identify specific areas on which we plan to consult and which we plan to analyse further. While we have expressed our initial views on some aspects of the feedback, those views could be influenced by the outcome of our discussions and consultations on other aspects of the feedback (for example, our initial views on some aspects of the proposed thresholds could be influenced by the outcome of our consultations on a rebuttable presumption approach (discussed in Agenda Paper 18A)). Our initial views could also be influenced by our analysis on other aspects of feedback on performance information (for example, the proposed exemption).
4. The agenda papers for this meeting do not ask the IASB to make any decisions. However, we ask:
 - (a) if IASB members have questions or comments on the analysis in each agenda paper; and
 - (b) what IASB members would like us to research, consult on or analyse further.

Next steps

5. We plan to consult on possible alternatives approaches to identifying the subset and some other specific aspects (see paragraph 24 of Agenda Paper 18A and paragraph 15 of Agenda Paper 18B for details). We will use feedback from those consultations and this meeting to inform further analysis and reach our recommendation. We will present the feedback, our updated analysis and our recommendation at a future IASB meeting.
6. In line with the redeliberation plan outlined in [Agenda Paper 18G](#) for the IASB's January 2025 meeting, we expect the IASB:

- (a) to continue redeliberating other aspects of the requirements for an entity to disclose performance and expected synergy information (expected from June 2025); and
- (b) 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.	February 2025 : 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;	March 2025 : the IASB discussed conceptual reasons. We plan to analyse the other reasons as we address each specific proposal. The IASB tentatively decided to continue to redeliberate

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		<ul style="list-style-type: none"> (b) auditability and expectations gap; (c) commercial sensitivity and litigation risks arising from disclosure of forward-looking information; and (d) monetary costs and other concerns. 	the proposed requirements for an entity to disclose performance and expected synergy information.
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.	<p>Respondents generally supported a subset approach. However:</p> <ul style="list-style-type: none"> (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’. 	No tentative decisions. April 2025 : initial discussion—see Agenda Papers 18A–18C for this meeting.
Performance information—management	Disclose performance information based on the information reviewed by the entity’s key management personnel (KMP), including:	<ul style="list-style-type: none"> (a) Most respondents agreed with disclosing KOTs based on the information reviewed by KMP and some respondents disagreed; and 	To be discussed at a future meeting.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
approach and other feedback	<ul style="list-style-type: none"> (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. 	(b) many respondents agreed with disclosing information for as long as KMP review, some respondents disagreed and some did not comment.	
Expected synergy information	<p>Information about expected synergies for each business combination including:</p> <ul style="list-style-type: none"> (a) a description of expected synergies by category; and (b) for each category: <ul style="list-style-type: none"> (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-	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	To be discussed at a future meeting.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
	<p>date key objectives for the business combination. The Exposure Draft also proposed application guidance to accompany the exemption.</p>	<p>should not be disclosed in financial statements.</p>	
<p>Other IFRS 3 disclosures</p>	<p>Amendments including:</p> <ul style="list-style-type: none"> (a) to add two new disclosure objectives; (b) to require disclosure of the ‘strategic rationale’ instead of ‘primary reasons’ for a business combination; and (c) to specify that for the information about the contribution of an acquired business: <ul style="list-style-type: none"> (i) the amount of profit or loss is the amount of ‘operating’ profit or loss; (ii) application guidance would not be provided; and (iii) the basis for preparing the information is an accounting policy. 	<ul style="list-style-type: none"> (a) Almost all respondents agreed; (b) almost all respondents agreed; and (c) for the contribution of an acquired business: <ul style="list-style-type: none"> (i) most respondents agreed; (ii) most respondents agreed; and (iii) many agreed but many disagreed. 	<p>To be discussed at a future meeting.</p>

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Restructuring and asset enhancement cashflows	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).	Many respondents agreed but many others disagreed.	To be discussed at a future meeting.
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.	To be discussed at a future meeting.
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.	To be discussed at a future meeting.

Topic	Exposure Draft proposals	Feedback	Discussions and tentative decisions
Subsidiaries without public accountability	To require an eligible subsidiary to disclose: <ul style="list-style-type: none"> (a) expected synergy information; (b) the strategic rationale for a business combination; (c) information about the contribution of the acquired business; and (d) whether the discount rate used in an impairment test is pre-tax or post-tax. 	<ul style="list-style-type: none"> (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. (b–d) most respondents agreed. 	To be discussed at a future meeting.
Transition	<ul style="list-style-type: none"> (a) To require entities already applying IFRS Accounting Standards to apply the amendments prospectively with earlier application permitted; and (b) no transition relief for first-time adopters. 	<ul style="list-style-type: none"> (a) Most respondents agreed and some disagreed, particularly with the proposed transition requirements for IAS 36; and (b) most respondents agreed and some disagreed. 	To be discussed at a future meeting.