

# STAFF PAPER

**24 September 2013**

## World Standards-setter meeting— Optional session 4

<b>Project</b>	<b>Post-implementation Review</b>
<b>Paper topic</b>	IFRS 3 <i>Business Combinations</i>
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### Purpose of this paper

1. This paper aims to:
  - (a) provide you with information about the Post-implementation Review (PIR) of IFRS 3 *Business Combinations* that the IASB is conducting; and
  - (b) ask you for your views on matters that you want us to consider during Phase I of the PIR.

### Structure of the paper

2. This paper is structured as follows:
  - (a) information about the PIR of IFRS 3;
  - (b) matters identified for consideration in Phase I of the PIR; and
  - (c) questions for the delegates.
3. Agenda Paper OP 4A includes the paper presented by the staff to the IFRS Interpretations Committee ('the Interpretations Committee') in September 2013. Paragraphs 18 and 19 of that paper include the matters that have been identified for consideration in Phase I of the PIR.

**Post-Implementation Review (PIR) of IFRS 3 *Business Combinations***

4. At its July meeting, the International Accounting Standards Board (IASB) discussed the PIR of IFRS 3 *Business Combinations*.<sup>1</sup>
5. As described in Agenda Paper OP 4A, the Trustees added PIRs as a mandatory step to the IASB's due process requirements in 2007. The *Due Process Handbook* ('the Handbook') states that the PIRs "must consider the issues that were important or contentious during the development of the publication [...] as well as issues that have come to the attention of the IASB after the document was published."
6. The Handbook also states that a PIR "normally begins after the new requirements have been applied internationally for two years, which is generally about 30 to 36 months after the effective date" and that each review has two phases:  
  
6.54 [...] The first involves an initial identification and assessment of the matters to be examined, which are then the subject of a public consultation by the IASB in the form of a Request for Information. In the second phase, the IASB considers the comments it has received from the Request for Information along with the information it has gathered through other consultative activities. On the basis of that information, the IASB presents its findings and sets out the steps it plans to take, if any, as a result of the review.
7. At its July meeting, the IASB discussed, in particular, the consultations and activities to be undertaken during Phase I of the PIR and their corresponding expected timing, with the aim of identifying the main implementation problems or unexpected costs encountered by entities when applying IFRS 3. Agenda Paper OP 4A includes more detailed information on these consultations and activities and on the corresponding expected timing.
8. Our meeting today forms part of the consultations that the IASB is conducting as part of Phase I of the PIR of IFRS 3.

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<sup>1</sup> The Agenda Paper discussed at the IASB meeting in July can be found at:  
<http://www.ifrs.org/Meetings/MeetingDocs/IASB/2013/July/12-Post-implementation%20Review.pdf>

**Matters identified for consideration during Phase I of the PIR of IFRS 3**

9. As mentioned in paragraph 6, post-implementation reviews consist of two phases. The objective of Phase I is to establish the scope of the review and in particular to identify the areas of focus for the Request for Information (RFI), which will be published at the start of Phase II.
10. For Phase I, we would appreciate your views on the matters identified for consideration during this phase of the PIR in paragraphs 18 and 19 of the Agenda Paper presented to the Interpretations Committee in September (see Agenda Paper OP 4A) or on any other matters that are relevant for this PIR and are not reflected in those paragraphs.

**Questions for the delegates**

- 1 Do you have any additional feedback that we should consider, including any alterations or any additions, on the initial assessment of areas that have been identified for consideration during Phase I of the PIR, as set out in paragraphs 18 and 19 of Agenda Paper OP 4A?
- 2 Are you aware of any additional issues that we need to add to the list of issues for consideration in Agenda Paper OP 4A?
- 3 Do you have any comments or questions about the PIR of IFRS 3 at this stage?