
Exposure Draft

Accounting Standards Board

Proposed International Financial Reporting Standards

Definition of a Business and Accounting for Previously Held Interests (Proposed amendments to IFRS 3 and IFRS 11)

August 2016

**COMMENTS TO THE IASB AND THE AcSB MUST BE RECEIVED BY
OCTOBER 31, 2016**

Respondents are asked to email their comment letters (in a Word file) to: ed.accounting@cpacanada.ca. Please address your comments to:

**Rebecca Villmann, CPA, CA,
CPA (Illinois)
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2**

This Exposure Draft reflects proposals made by the International Accounting Standards Board that the Accounting Standards Board (AcSB) intends to adopt, subject to deliberating comments received, as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they are related to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AcSB will be available on the web site shortly after the comment deadline, unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

Highlights

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CPA Canada Handbook – Accounting, amendments to IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements*.

IASB Exposure Draft

The International Accounting Standards Board (IASB) recently issued an Exposure Draft, “[Definition of a Business and Accounting for Previously Held Interests \(Proposed amendments to IFRS 3 and IFRS 11\)](#),” that is available on the IASB website at www.ifrs.org. The proposed amendments provide:

- clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3; and
- clarification on how an entity should account for previously held interest in a business, if acquiring control, or joint control, of that business.

The IASB’s Exposure Draft includes proposed amendments to the Illustrative Examples and Basis for Conclusions documents that are not part of this Exposure Draft. The proposed amendments to the Illustrative Examples and Basis for Conclusions documents may provide useful information to stakeholders.

Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed amendments:

The IASB has developed the proposed amendments in accordance with its due process for application around the world. Assuming the Exposure Draft proposals are finalized and approved by the IASB in accordance with its due process, do you think that the proposed amendments are appropriate for application in Canada? If not, please specify which aspects of the proposed amendments, and what circumstances, make the accounting requirements proposed in the Exposure Draft inappropriate.

Responses to this additional question should be sent directly to the AcSB.

You may email your comments (in a Word file) to: ed.accounting@cpacanada.ca.

The deadline for responding to the IASB on its Exposure Draft is October 31, 2016. Responses to the AcSB on the additional question set out above are due on the same date.

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