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Business Combinations under Common Control Cover Note

Objective

- 1 The objective of the session is to:
 - (a) obtain EFRAG TEG's view on the IASB tentative decisions on its research project *Business Combinations under Common Control* (BCUCC). The feedback received will form the basis of EFRAG's response to the IASB discussion paper (DP) on the project; and
 - (b) discuss with EFRAG TEG the timeline of the BCUCC project and planning of possible outreach activities.

Timeline of BCUCC project

- 2 In 2016, the IASB added the BCUCC project to its research agenda and over the last few years the IASB took a number of tentative decisions on how to account for transactions within the scope of the project. In November 2020, The IASB is planning to publish a discussion paper on BCUCC to consult on the approach taken by those tentative decisions.
- 3 The EFRAG Secretariat has provided regular updates on the project to EFRAG TEG and EFRAG CFSS. Their preliminary views and concerns are included in Appendix 2 to agenda paper 08-02.
- 4 In addition, the EFRAG Secretariat has discussed the project with the EFRAG User Panel regarding their preferred way to account for BCUCC under a current value approach and under two scenarios of a predecessor approach. Their views are included in Appendix 2 to agenda paper 08-02. The project's tentative decisions have also been discussed with the EFRAG FIWG in October 2020 and an oral update will be provided.
- 5 In anticipation of the IASB DP, which has a comment period of 180 days, the planning is as follows:

<i>Date</i>	<i>Meeting</i>	<i>Topic</i>
October 2020	EFRAG IAWG	Obtain views on the project
November 2020	EFRAG User Panel	Obtain views on the key messages
2 – 3 December 2020	EFRAG TEG	Discuss and recommend EFRAG's DCL ¹ on the DP

¹ Draft Comment Letter

Business Combinations under Common Control – Cover Note

<i>Date</i>	<i>Meeting</i>	<i>Topic</i>
17 December 2020	EFRAG Board	Approve EFRAG's DCL
Mid-April 2021		Proposal for EFRAG comment period deadline [to be approved]
May 2021	EFRAG TEG	Discuss and recommend EFRAG's FCL ² on the DP
Early June 2021	EFRAG Board	Approve EFRAG's FCL
Second half of May 2021		IASB comment period deadline

Outreach activities on BCUCC

- 6 EFRAG is planning outreach activities in a few European jurisdictions where the impact of the project's proposals will have a direct and a significant impact. Portuguese, Italian and Spanish National Standard Setters have expressed interest in conducting outreach activities on the project together with EFRAG. The outreach will be specifically seeking feedback from preparers and users.
- 7 The current timeline of the BCUCC project would allow outreach to start in the second half of January 2021 to the end of March 2021.

Questions for EFRAG TEG

- 8 Does EFRAG TEG have any comments or questions on the proposed timeline of the project?
- 9 Does EFRAG TEG agree with the proposed planning of outreach activities on BCUCC? What type of outreach would EFRAG TEG envisage for the project?

Agenda Papers

- 10 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 08-02 – Issues paper on BCUCC key messages for EFRAG's DCL; and
 - (b) Agenda paper 08-03 – IASB presentation on BCUCC – for background information.

² Final Comment Letter