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Definition of a Business and Accounting for Previously Held Interests

Cover Note

Objective

1 The objective of this session is to seek input from EFRAG CFSS and EFRAG TEG members on the following in preparation for the March 2017 ASAF meeting:

(a) the IASB´s proposed screening test included in the IASB's Exposure Draft ED/2016/1 *Definition of a Business and Accounting for Previously Held Interests* ('the ED'); and

(b) a summary of the feedback the IASB received on the proposed amendments included in the ED.

Background

2 The IASB published the ED in June 2016. EFRAG issued its comment letter on the ED in November 2016.

3 In November 2015 the US Financial Accounting Standards Board (FASB) published the Proposed Accounting Standards Update *Clarifying the Definition of a Business* which included proposals similar to those proposed by the IASB. In January 2017, the FASB finalised its project and issued Update 2017-01 - *Clarifying the Definition of a Business.*

4 At the March ASAF meeting, the IASB Staff will seek advice from ASAF members on the proposed screening test in the ED; in their view this part of the proposed amendments attracted the greatest level of attention, including from ASAF members, in the comment letters received (**ASAF agenda paper 02**).

5 The IASB Staff will also present a paper that summarises the feedback received on the proposed amendments and ask ASAF members whether they have any questions or comments on the feedback (**ASAF agenda paper 02A**). This paper will be discussed at the IASB meeting in February 2017.

Agenda Papers

6 In addition to this cover note, agenda papers for this session are:

(a) Agenda paper 12-02 – Issues paper on the Definitions of a Business;

(b) Agenda paper 12-03 – ASAF agenda paper 02 – for background only; and

(c) Agenda paper 12-04 – ASAF agenda paper 02A – for background only.