Financial Reporting Council

MONTHLY UPDATES (February 2025) – What's new from the International Accounting Standards Board (IASB)

The topic discussed at the IASB's February 2025 meeting was related to:

Contents

A. Research and standard-setting

Business Combinations—Disclosures, Goodwill and Impairment

The IASB met to redeliberate the project's objective and its approach to achieving that objective.

The IASB tentatively decided:

a. to retain the project's objective but to adjust its wording to reflect the stage of the project; and
b. to retain its approach to achieving the project objective by continuing to only consider:
   i. requiring an entity to disclose information about the performance of a business combination and quantitative information about synergies expected from a business combination;
   ii. requiring some of the information described in (i) only for a subset of business combinations;
   iii. exempting an entity from disclosing some of the information described in (i) in some situations;
   iv. proceeding with the other amendments to the disclosure requirements in IFRS 3 *Business Combinations* that were proposed in the Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*;
   v. making some targeted improvements to the impairment test in IAS 36 *Impairment of Assets* to help mitigate management over-optimism and shielding, and to reduce cost and complexity; and
   vi. making other amendments that might be necessary because of (i)–(v), for example, amendments to transition requirements in IFRS 3 and IAS 36 and to IFRS 19 *Subsidiaries without Public Accountability.*

Next step

The IASB will continue its discussions on the project, including discussions about requiring entities to disclose information about performance and expected synergies.

B. Maintenance and consistent application

Updating IFRS 19 Subsidiaries without Public Accountability: Disclosures

The IASB met to discuss feedback on its proposals in the Exposure Draft *Amendments to IFRS 19* Subsidiaries without Public Accountability: Disclosures.

After considering the feedback, the IASB tentatively decided to retain its proposals relating to:

a. IFRS 18 *Presentation and Disclosure in Financial Statements*.
b. lack of exchangeability.

The IASB tentatively decided to change its proposals relating to:

a. supplier finance arrangements by:
    i. withdrawing the proposed new paragraph 167A of IFRS 19, which would have defined a supplier finance arrangement; and
    ii. deleting paragraph 168(b)(iii) of IFRS 19, which requires an entity to disclose the range of payment due dates for both the financial liabilities it has disclosed in accordance with paragraph 168(b)(i) and the comparable trade payables that are not part of a supplier finance arrangement.

b. Pillar Two model rules by adding the phrase ‘known or reasonably estimable’ to paragraph 199 of IFRS 19.

c. financial instruments classification and measurement by deleting paragraph 56C and the second sentence of paragraph 56A of IFRS 19.

Next steps

The IASB will decide whether to begin the balloting process for the amendments to IFRS 19. The IASB plans to issue these amendments in the second half of 2025.

For further information: http://www.ifrs.org
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