



4 March 2021

To: Preparers, investors, practitioners and other interested parties

**Roundtable discussion: 11 May 2021**  
**IASB DISCUSSION PAPER**  
***Business Combinations under Common Control***

Does your company or clientele engage in business combinations under common control? How did they report business combinations under common control in the financial statements? Do financial statements provide sufficient information to understand and compare the financial effects of those combinations?

The Hong Kong Institute of Certified Public Accountants invites you to a roundtable to share your views on how business combinations under common control should be reported in the financial statements.

IFRS Standards do not specify how to account for business combinations under common control. In the absence of a specifically applicable IFRS Standard for such combinations, companies are required to develop their own accounting policy, and this results in differences in how companies report similar combinations. This diversity in practice makes it difficult for users of financial statements to understand the financial impact of such combinations, and compare companies that undertake similar combinations.

To fill this gap in IFRS Standards, the International Accounting Standards Board (IASB) published a [Discussion Paper](#) setting out its preliminary views on how to report business combinations under common control. The IASB is suggesting that the acquisition method should be applied when a business combination under common control affects shareholders outside the group. The book-value method should then be applied to all other business combinations under common control using a single specified approach.

The IASB's preliminary views on when and how each measurement approach should be applied could have a significant impact on existing accounting practices in Hong Kong. This could, in turn, affect your company's or your client's financial position and performance.

Your views are important to us in providing feedback to the IASB. If you would like to express your views, please join our roundtable discussion. Representatives from the IASB<sup>1</sup> will be joining the roundtable, and hence this is an excellent opportunity to communicate directly with local and international standard setters.

**Details of the roundtable**

Date: 11 May 2021, Tuesday

Time: 4:00 pm – 6:30 pm

Venue\*: HKICPA Boardroom, 37/F, Wu Chung House,  
213 Queen's Road East, Wanchai, Hong Kong

\*In view of the uncertainty of the COVID-19 pandemic, we may provide the option to join via online tools if necessary.

To register, please click the following link and reserve by **30 April 2021**.  
<https://survey3.hkicpa.org.hk/index.php?r=survey/index&sid=135453>

If you cannot attend the roundtable but would like to provide your comments on the IASB's Discussion Paper, please email us at [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk).

<sup>1</sup> Sue Lloyd and Jianqiao Lu, IASB members, will be joining the roundtable.