



# Review of IFRS® Standards 10, 11 and 12

Global IFRS Institute | Business combinations

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**“The consolidation suite of standards has largely been successful in developing a single, consistent basis for consolidation and joint arrangement accounting that has reduced diversity in practice. However, eight years on, issues continue to emerge that could benefit from the Board’s attention. Now is your chance to highlight these to the Board and voice any further concerns.”**

Peter Carlson  
KPMG global business combinations and consolidation leader

## Request for information on application issues – Take this opportunity to raise your concerns

### Highlights

- What issues has the Board identified?
- Do you have other concerns?
- Have your say – Comment deadline is 10 May 2021.

As part of its due process, the International Accounting Standards Board (the Board) is undertaking a **post-implementation review** (PIR) of its consolidation suite of standards – IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*.

To understand where challenges with applying these standards are arising in practice, the Board is now seeking:

- feedback on specific issues that it has identified; and
- comments on other issues that arise in practice.

### What issues has the Board identified?

The Board raises specific questions on a number of issues, including the following:

Standards	Specific issues
IFRS 10	<ul style="list-style-type: none"> <li>– Have the following issues proved a challenge?               <ul style="list-style-type: none"> <li>- Does an investor hold the rights that give it control over the investee?</li> <li>- Is a decision maker a principal or an agent?</li> <li>- Does an entity meet the definition of an investment entity?</li> </ul> </li> <li>– Should the Board consider the accounting requirements for the following?               <ul style="list-style-type: none"> <li>- Subsidiaries that are also investment entities.</li> <li>- Partial acquisition of a subsidiary that is not a business.</li> </ul> </li> </ul>

Standards	Specific issues
IFRS 11	<ul style="list-style-type: none"> <li>– Are collaborative (not joint) arrangements common and how have these been accounted for?</li> <li>– Should the Board simplify the requirements for classifying joint arrangements?</li> <li>– Is proportionate consolidation accounting effective in faithfully representing an investor’s interest in a joint operation?</li> </ul>
IFRS 12	<ul style="list-style-type: none"> <li>– How well is IFRS 12 serving its purpose of providing useful information about a company’s interests in other entities?</li> </ul>

## Have your say

We encourage you to take this opportunity to give your feedback to the Board on the specific issues it has identified and any other concerns you may have before the deadline of 10 May 2021.

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