



Point of View

IASB Exposure Draft: Business Combinations
— Disclosures, Goodwill, and Impairment

July 2024

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Foreword

Business combinations are often pivotal transactions for the entities involved. A critical aspect of these transactions is the recognition of goodwill, an asset that captures the premium paid over the identifiable net assets of the acquired business. Goodwill plays a significant role in reflecting the strategic value and future economic benefits anticipated from the acquisition. Business combinations are instrumental in shaping the global economy, with transactions reported in 2023 totalling an impressive US\$3.2 trillion.

The current global accounting standards, both the International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (US GAAP) mandate that goodwill is not amortized but is instead tested for impairment, at least annually. Despite these measures, stakeholders and regulatory authorities have raised concerns about the potential for management to use optimistic assumptions during impairment testing, which can obscure the true impact of impairment losses on financial performance.

This has given rise to the phenomenon known as “too little, too late,” where impairment losses are only recognized after significant deterioration in a company’s financial performance. In some cases, this decline occurs gradually, leading to “close call” scenarios where the margin between the recoverable amount and the carrying amount narrows over time, eventually triggering the recognition of goodwill impairment.

Given the volatile economic environment, it is crucial for management to conduct a thorough and objective assessment of the current economic landscape and apply balanced assumptions in goodwill impairment evaluations.

This Uniquus Point of View publication provides an overview of the existing challenges and expectation gaps, as well as key considerations of the proposed amendments issued by the International Accounting Standards Board (IASB).

In summary, maintaining a fair presentation of a company’s financial position, performance, and cash flows is paramount for investors. Addressing concerns related to goodwill accounting, both in terms of enhanced disclosures and improved impairment tests, is essential to ensure that financial reporting standards promote transparent and accountable business practices. In this regard we have also submitted our feedback to the ED issued by the IASB on 12 July 2024, which is [available here](#).

We sincerely hope you find this publication informative, offering insights into the key concerns expressed by stakeholders and regulatory bodies. We will be happy to engage in discussions and provide clarifications on our views enclosed in the attached publication. We look forward to hearing from you.

Thank you.

Yours faithfully

For Uniquus Consultech Inc.



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Overview

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The Future of Goodwill Accounting: Enhancing Transparency and Accountability

Goodwill, an intangible asset arising from business combinations, represents the excess of the acquisition purchase price over the value assigned to the identifiable net assets of an acquired business. While goodwill embodies future economic benefits, goodwill is not separable from other assets of the business unlike identifiable assets. Under IFRS and US GAAP, goodwill is not subject to amortization but is instead tested annually (or more frequently) for impairment when there are indications of potential impairment.

The impairment of goodwill under IFRS occurs when the recoverable amount of a cash-generating unit (CGU), or a group of CGUs to which goodwill has been allocated, falls below its carrying amount. This recoverable amount is determined as the higher of its fair value less costs of disposal and its value in use. However, this assessment is fraught with complexities due to the inherent subjectivity involved, requiring significant management judgments and estimates.

A post-implementation review of IFRS 3, conducted by IASB, revealed significant concerns. Stakeholders noted that goodwill impairment is not always recognized in a timely manner due to shielding of goodwill from impairment and that current disclosures do not provide sufficient information to assess whether an acquired business is performing as was expected at the time of acquisition. Additionally, the impairment test under IAS 36 is perceived as both costly and complex. Resultantly, the IASB undertook the project Business Combinations – Disclosures, Goodwill and Impairment to explore solutions for stakeholder concerns.

In response, IASB issued the Exposure Draft on Business Combinations—Disclosures, Goodwill, and Impairment in March 2024. This Exposure draft proposes amendments to IFRS 3 Business Combinations ('IFRS 3') and IAS 36 Impairment of Assets ('IAS 36'), aiming to provide users with more comprehensive information, enabling them to better evaluate the performance of business combinations and the efficacy of management's use of economic resources in acquiring businesses. These proposed changes seek to enhance transparency and the overall usefulness of financial information related to business combinations.



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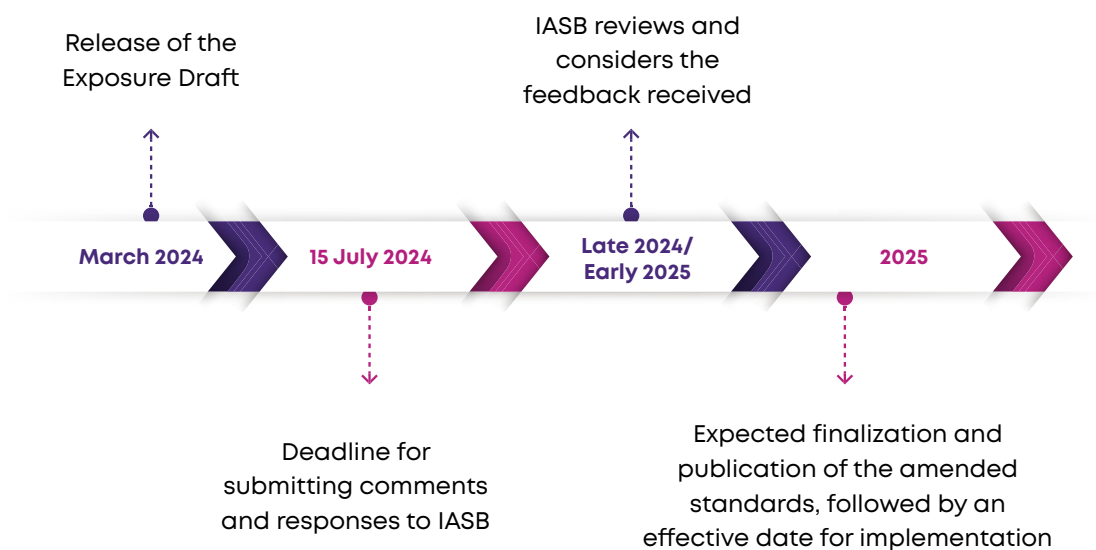
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The forthcoming amendments underscore a pivotal shift towards improved accountability and clarity in financial reporting. As businesses navigate the complexities of goodwill accounting, these changes promise to deliver more reliable insights into the performance and strategic decisions of management, ultimately fostering greater trust and confidence among investors and stakeholders.

Timeline:



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The proposed amendments are expected to impact entities involved in business combinations, particularly those engaging in 'strategic business combinations,' a newly defined subset. Under the proposed requirements, these entities would need to provide additional disclosures related to the strategic rationale, anticipated synergies, and actual performance of acquisitions. The amendments to IAS 36 may also lead to earlier recognition of goodwill impairment in some cases, depending on how goodwill was allocated to cash-generating units under the current standards.

IFRS 3

Strategic business combination

IASB is proposing to require an entity to disclose information about the entity's acquisition-date key objectives and related targets for a business combination and whether these key objectives and related targets are being met if business combination meets the above criteria of Strategic business.

Quantitative threshold

01

Absolute amount of acquiree's operating profit or loss

≥ 10% of the absolute amount of acquirer's consolidated operating profit or loss

02

Amount recognised as of the acquisition date for assets acquired (including goodwill)

≥ 10% of the carrying amount of the total assets recognised in the acquirer's consolidated statement of financial position as at the acquirer's most recent reporting period date before the acquisition date

03

Acquiree's revenue

≥ 10% of the acquirer's consolidated revenue

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Qualitative threshold

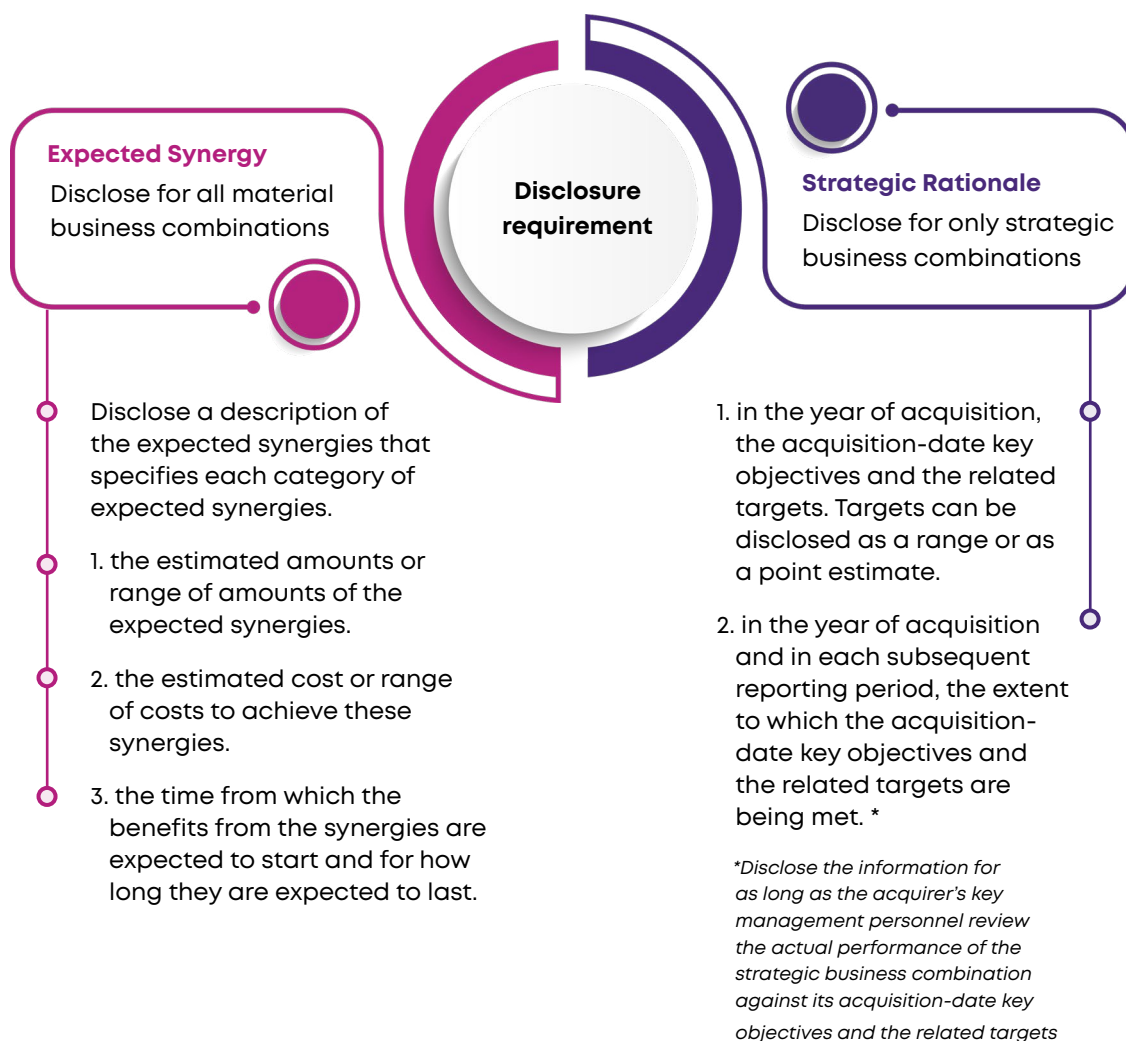
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Acquirer entering into a new major line of business or geographical area of operations.

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The Exposure Draft proposes the introduction of additional disclosure requirements. Some of these requirements apply to all material business combinations, while others are specific to strategic business combinations. The Exposure Draft also includes an exemption from certain disclosures if providing them is expected to prejudice seriously the achievement of any of the entity's acquisition-date key objectives for the business combination.



The company is required to develop an accounting policy to prepare this information that requires the acquirer disclosing information that helps users of its financial statements forecast future performance of the combined entity.

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IAS 36

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IASB proposes to amend IAS 36 to reduce shielding by clarifying the allocation of goodwill to cash-generating units. This includes an assessment of the “business associated with goodwill”, requiring companies to determine the lowest level at which this business is monitored for internal management purposes. Under the proposed amendment to IAS 36.80(a), even if an entity does not monitor goodwill separately, the lowest level for allocating goodwill will be where the business associated with the goodwill is monitored for internal management purposes.

To address the concerns about the cost and complexity of the impairment test, IASB has proposed the following amendments to the value in use calculation:

01
Removing uncommitted future restructuring or asset enhancement

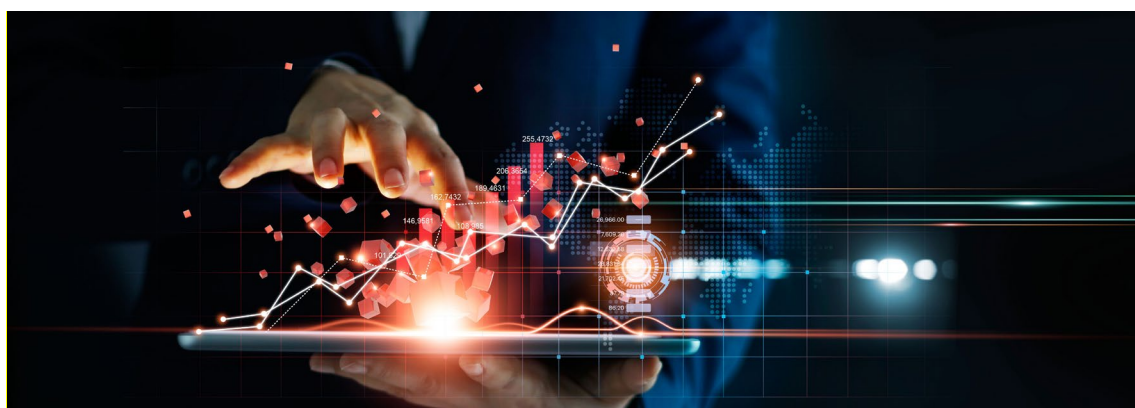
Revision aims to provide a more realistic assessment of the cash-generating unit's (CGU) future economic benefits by allowing for the consideration of potential future improvements or efficiencies that may not yet be committed.

02
Proposed treatment when a provision is recognised for restructuring

This adjustment seeks to ensure that impairment assessments accurately reflect the impact of restructuring activities on the CGU's future cash flows.

03
Pre-Tax computation

Removing the requirement to calculate value in use on a pre-tax basis to simplify the impairment testing process.



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IASB's Exposure Draft Questions and Uniquis Point of View

The Exposure Draft seeks to enhance disclosures concerning the performance of business combinations, streamline the goodwill impairment test, and offer financial statement users more pertinent and valuable information. IASB invites comments on whether the proposed amendments strike an appropriate balance between the benefits and costs of disclosure requirements, and whether they would enhance the effectiveness of the impairment test.

Question 1 - Disclosures: Performance of a business combination

Proposed Change

IASB proposes amendments to IFRS 3 that aim to balance the benefits of enhanced disclosures with the associated costs and risks. The proposed changes include requiring disclosures about acquisition-date objectives and performance targets, but only for strategic business combinations (a subset of material business combinations). Additionally, exemptions are proposed for certain sensitive information to address preparers' concerns. These changes are intended to provide users with more useful insights into the performance of business combinations while managing the costs and risks for preparers.

Question

- 
- (a) Do you agree with IASB's proposal to require an entity to disclose information about the performance of a strategic business combination, subject to an exemption? Why or why not? In responding, please consider whether the proposals appropriately balance the benefits of requiring an entity to disclose the information with the costs of doing so.
 - (b) If you disagree with the proposal, what specific changes would you suggest to provide users with more useful information about the performance of a business combination at a reasonable cost.

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We generally agree with the proposal to disclose information about the performance of strategic business combinations as it balances the need of users for better information regarding such business combinations with the cost of providing such information. This approach provides transparency regarding the achievement of acquisition objectives, enhancing the ability of stakeholders to assess the success of business combinations.

However, we believe that the proposal could be strengthened by including a requirement for entities to disclose reasons for any significant deviations from expected performance targets. This would provide a clearer context for stakeholders to understand the reasons behind non-achievement and whether these are due to recurring factors or specific, non-recurring events.

We also encourage a balanced approach to disclosure that considers both short-term performance metrics and long-term strategic objectives, to avoid only short-term goals to avoid continuous disclosure post achievement.

Furthermore, we believe that IASB might contemplate restricting the requirement for describing expected synergies from all material business combinations solely to strategic business combinations and restrict such disclosures to annual financial statements. This adjustment could potentially alleviate the burden on preparers while ensuring that financial statement users receive the most pertinent information.

Given the potential challenges auditors may encounter in offering reasonable assurance regarding the existence and achievability of these objectives and targets during statutory audits, IASB could contemplate incorporating a clear statement in financial statements which clarifies that such disclosures are exclusively based on internal management information and thus, aligning with the principles set forth in IFRS 18.122, which emphasizes the disclosure of management-defined performance measures as reflective of the entity's financial performance viewpoint and not necessarily comparable with measures from other entities.

Furthermore, it is essential to establish clear guidelines and offer practical examples that encompass the aforementioned disclosure requirements in both the year of acquisition and subsequent reporting periods. This approach will ensure that disclosures maintain consistency and comparability across diverse entities and industries.

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Question 2 - Disclosures: Strategic business combinations

Proposed Change

The Exposure Draft seeks to address concerns regarding the volume and sensitivity of disclosed information, limiting required disclosures (that is, information about the entity's acquisition-date key objectives and related targets for the business combination and whether these key objectives and related targets are being met) to strategic business combinations. IASB proposes a qualitative and quantitative threshold approach for identifying strategic business combinations that require detailed performance disclosures.

Question

- (a) Do you agree with the proposal to use a threshold approach? Why or why not? If you disagree with the proposal, what approach would you suggest and why?
- (b) If you agree with the proposal to use a threshold approach, do you agree with the proposed thresholds? Why or why not? If not, what thresholds would you suggest and why?

Uniquis Point of View

We support the proposal to adopt a threshold approach as it effectively balances the need for detailed disclosures against practical considerations of cost and relevance. We acknowledge IASB's consideration of incorporating qualitative factors through parameters like "Strategic shift" from IFRS 5. This approach helps reduce subjectivity in identifying strategic business combinations, ensuring that disclosures focus on transactions critical to an entity's strategy and performance.

However, we recommend that IASB engage further with stakeholders through outreach to determine an appropriate percentage threshold and provide additional qualitative measures, if any. We believe that a 10% threshold may capture too many acquisitions, potentially including those where failure to meet acquisition-date objectives poses minimal risk to overall strategy.

Furthermore, we advocate for a more principle-based approach rather than relying solely on meeting one of the proposed quantitative or qualitative thresholds. Therefore, we suggest using thresholds in conjunction with a rebuttable presumption, allowing entities to determine if a business combination qualifies as strategic, provided they can support this with qualitative justifications.

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Clear guidance and illustrative examples on defining strategic business combinations and applying both qualitative and quantitative thresholds would enhance clarity and comparability across entities. Additionally, guidance and illustrative examples on interpreting terms such as “major line of business” and “geographies” will aid consistency in application, considering these terms are not clearly defined in other standards and may have varying meanings in the context of disclosure requirements under IFRS 3.

Furthermore, management should provide disclosure regarding the judgments made when applying accounting policies for assessing strategic business combinations and those related to required disclosures under the proposed amendments.

Question 3 - Disclosures: Exemption from disclosing information

Proposed Change

IASB proposes to exempt entities from disclosing certain information required by the Exposure Draft in specific circumstances to address concerns about commercial sensitivity and litigation risk. This exemption aims to be both enforceable and auditable, ensuring it is applied only when appropriate.

As a guiding principle, an entity would be exempt from disclosing information if such disclosure could seriously prejudice the achievement of any of the entity's acquisition-date key objectives for the business combination. IASB has also provided application guidance to assist entities, auditors, and regulators in identifying when this exemption can be appropriately applied.



Question

Do you think the proposed exemption can be applied appropriately, and do you agree with the application guidance provided?

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Uniquus Point of View

While addressing concerns about commercial sensitivity or legal obligations, exemptions in disclosure can lead to significant drawbacks, such as reduced transparency, diminished investor confidence, potential market distortions, legal and regulatory risks, and governance concerns. Balancing confidentiality and transparency are crucial to maintaining the integrity and reliability of financial reporting in strategic acquisitions.

Granting exemptions from disclosing certain information based on the expectation of serious prejudice to the company's acquisition-date key objectives poses challenges in assessment and may lead to increased judgment and audit complexities. To prevent widespread attempts to claim exemptions, such provisions should be limited to exceptional/extremely rare cases. Explicit inclusion of this limitation in the basis of conclusions would provide clarity on its application.

Additionally, we recommend that IASB provide illustrative examples and sample disclosures to clarify how entities should disclose expected synergies aggregated across all categories without seriously prejudicing any acquisition-date key objectives. Including illustration of circumstances or situations where disclosures would be considered as seriously prejudicing the achievement of the acquirer's key objectives for the business combination would be beneficial.

Such guidance would enhance users' understanding of disclosure requirements and facilitate consistent reporting practices, thereby improving the quality and comparability of financial statements.

Question 4 - Disclosures: Identifying information to be disclosed**Proposed Change**

IASB proposed changes require entities to disclose information about the performance of their strategic business combinations. This includes details about acquisition-date key objectives and related targets, and whether these objectives and targets are being met, as reviewed by key management personnel. The disclosure requirement would persist for as long as key management personnel review the performance of the business combination.

Additionally, if key management personnel do not plan to review the achievement of these objectives and targets, the entity must disclose that fact and the reasons. If they stop reviewing these objectives and targets before the end of the second annual reporting period post-acquisition, the entity must disclose this and the reasons for stopping. If key management personnel no longer review these objectives but still receive information about the relevant metrics, the entity must disclose information about these metrics up to the end of the second annual reporting period after the acquisition.

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Question

- (a) Do you agree that the information an entity should be required to disclose should be the information reviewed by the entity's key management personnel? Why or why not? If not, how do you suggest an entity be required to identify the information to be disclosed about the performance of a strategic business combination?
- (b) Do you agree that:
- (i) an entity should be required to disclose information about the performance of a business combination for as long as the entity's key management personnel review that information? Why or why not?
 - (ii) an entity should be required to disclose the information specified by the proposals when the entity's key management personnel do not start or stop reviewing the achievement of a key objective and the related targets for a strategic business combination within a particular time period? Why or why not?

Uniquus Point of View

We generally agree with the proposed guidance as it enhances transparency regarding the entity's monitoring and evaluation processes, enabling stakeholders to assess the entity's commitment to achieving acquisition-date key objectives. Mandating the disclosure of reasons for not reviewing or ceasing to review these objectives encourages better governance practices. Additionally, we propose that entities be permitted to cease presenting qualitative and quantitative disclosures about a strategic business combination when such information is no longer deemed significant for users of financial statements, even if it continues to be reviewed by management.

However, determining whether key management personnel are reviewing the performance of the business combination and identifying reasons for any changes in review practices involves subjective judgment. Additionally, it places a burden on auditors to verify details that might be difficult to substantiate. Entities may struggle to articulate valid reasons for their decision-making processes, leading to ambiguity in disclosures and potentially undermining stakeholders' trust.

Moreover, situations such as mergers with other businesses that will continue to be reviewed or instances where intangible assets have been amortised may complicate the disclosure process. These complexities require careful consideration to ensure that disclosures remain clear and consistent, providing stakeholders with a comprehensive understanding of the entity's performance and governance practices.

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Question 5 - Disclosures: Other proposals

Proposed Change

IASB proposes amendments to the disclosure requirements in IFRS 3 to enhance transparency and relevance. These amendments include:

- i. adding new disclosure objectives (paragraph 62A) and
- ii. requiring detailed information on expected synergies, including categories, estimated amounts, costs, and timeframes (paragraph B64(ea)).
- iii. requirement to disclose the primary reasons for a business combination will be replaced with the strategic rationale (paragraph B64(d)).
- iv. amendments to paragraph B64(q) aim to provide clearer information on the contribution of the acquired business, specifically focusing on operating profit or loss.
- v. the disclosure about pension and financing liabilities will be improved by removing the term 'major' and including these liabilities in illustrative examples (paragraph B64(i)).
- vi. deleting certain existing disclosure requirements to streamline the reporting process.

Question



Do you agree with the proposals? Why or why not?

Uniquus Point of View


Requirements to disclose quantitative information about expected synergies in the year of acquisition and amended disclosure objectives in IFRS 3

The proposed amendments to IFRS 3 aim to enhance transparency and provide users of financial statements with more relevant information regarding business combinations. The addition of new disclosure objectives, such as disclosing quantitative information about expected synergies and the strategic rationale for a business combination, can offer valuable insights into the drivers and expected benefits of the transaction. These disclosures are intended to help stakeholders better understand the potential impact of the combination on the entity's performance.

However, estimating expected synergies, including associated costs and timelines, involves inherent uncertainties and complexities. Management may face challenges in accurately predicting synergy outcomes and may not have sufficient knowledge and experience of a newly acquired business at time of acquisition, leading to potential overestimation or underestimation, affecting stakeholders' perceptions and decision-making.

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Furthermore, as these disclosures are forward-looking, auditors face difficulties in providing assurance. IASB could consider incorporating a clear statement in financial statements clarifying that such disclosures are exclusively based on internal management information.

The proposed standard mandates disclosure of expected synergies and strategic rationale during the year of acquisition, along with their expected duration. However, it does not require entities to provide updates in subsequent years on whether these synergies and rationale are being realized. Consequently, the full objective of the disclosure, which includes ongoing assessment of synergy realization, may not be achieved. We believe that this requirement should be mandated only for strategic business combinations, including its disclosure in subsequent years, in line with other disclosures mandated for strategic business combinations.

The requirement for detailed information about synergies by category, estimated amounts, costs, and timelines would help stakeholders to better assess the potential impact of the combination on the entity's performance.

Contribution of the acquired business

Additionally, specifying that the amount of profit or loss disclosed should be the operating profit or loss aims to improve the accuracy and relevance of information provided about the acquired business's contribution.

Accounting policy

We believe that IASB's suggestion to require assumptions used pursuant to the requirements of paragraph B64(q)(ii) of IFRS 3 as an accounting policy is inappropriate, as it would result in inclusion of basis of preparation of pro forma information in the accounting policy. This may also not meet the threshold of being a "material accounting policy" in certain cases. Instead, IASB should mandate entities to provide a detailed explanation of the methodology applied in compiling the information in the note itself. This approach would offer more transparency and clarity to users of financial statements, as the information provided is on "as if" basis rather than being actual transactions or events warranting disclosure as an accounting policy.

Others

The amendments to disclose information about pension and financing liabilities assumed in a business combination without the term "major" and including them in the illustrative examples can enhance the comprehensiveness of disclosures related to acquired assets and assumed liabilities, providing a more complete picture of the financial position post-acquisition.

Additionally, illustrative examples covering disclosures in subsequent years should be provided, covering various scenarios such as management continuing to review the metrics or ceasing to review them, to ensure consistent application and understanding of the disclosure requirements.

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Question 6 - Changes to the impairment test

Proposed Change

The Exposure Draft addresses concerns about the effectiveness of the goodwill impairment test, particularly regarding shielding and over-optimism. IASB proposes amendments to IAS 36 to reduce shielding of goodwill by clarifying how to allocate goodwill to cash-generating units and require an entity to disclose in which reportable segment a cash-generating unit or group of cash-generating units containing goodwill is included.

Question



- (a) Do you agree with the proposals to reduce shielding? Why or why not?
- (b) Do you agree with the proposal to reduce management over-optimism? Why or why not?

Uniquis Point of View



Allocating goodwill to the lowest level at which the **business** is monitored for internal management purposes ensures that the impairment test aligns with management's view and oversight of the business. This alignment can result in more accurate and relevant impairment testing.

By defining that the Cash-Generating Unit (CGU) should not be larger than an operating segment per IFRS 8, the proposal ensures that goodwill is not allocated to broad units, enhancing transparency and granularity in financial reporting. This adjustment can mitigate the shielding effect that sometimes delays timely impairment recognition, allowing for earlier identification of underperforming units. It also helps users better understand the context and risks associated with the impairment test, making it easier for auditors and regulators to scrutinize and challenge the optimistic assumptions which may be made by management, thereby promoting greater accountability. However, IASB should consider providing clarification or indicative guideline on what 'internal management' entails in the context of proposed changes to IAS 36 as well as how the same should be evaluated in the context of Chief Operating Decision Maker as defined under IFRS 8.

The effectiveness of these changes could be limited if the underlying estimations of future cash flows remain optimistic. The focus on allocation does not fully address the quality of the impairment testing assumptions.

Reliance on auditors and enforcers to curb management's over-optimism might not always be effective due to the subjective nature of forecasting, placing significant responsibility on external verification without sufficiently addressing the need for more robust internal controls.

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The inherent optimism in management forecasts and assumptions means that additional disclosures may not significantly change this management behavior.

Additionally, businesses often undergo strategic changes affecting how they monitor and manage operations. The requirement to allocate goodwill based on current management monitoring levels may not always align with future strategic directions, potentially leading to frequent reallocations and adjustments.

Question 7 - Changes to the impairment test: Value in use

Proposed Change

The proposed amendments recommended in the Exposure Draft seeks to enhance the calculation of value in use. IASB suggests removing the prohibition on:

- i. including future restructuring cash flows or cash flows arising from improving or enhancing an asset's performance, and
- ii. the requirement to use pre-tax cash flows and pre-tax discount rates in calculating value in use

Question



- (a) Do you agree with the proposal to remove the constraint on including cash flows arising from a future restructuring to which the entity is not yet committed or from improving or enhancing an asset's performance? Why or why not?
- (b) Do you agree with the proposal to remove the requirement to use pre-tax cash flows and pre-tax discount rates in calculating value in use? Why or why not?

Uniquus Point of View



The proposed amendments to IAS 36 aim to align impairment testing more closely with an entity's future expectations and strategic plans. By allowing the inclusion of cash flows from future restructurings and enhancements and requiring the use of post-tax cash flows and discount rates, these changes seek to simplify and improve the accuracy of impairment testing. This alignment with IFRS 13 (Fair Value Measurement) intends to make the value in use calculation more reflective of an entity's realistic future outlook.

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However, these benefits come with challenges, including increased subjectivity and potential over-optimism. Implementation may be complex, and there could be impacts on comparability. Clear guidance is needed to distinguish between restructuring or enhancing an existing asset and investing in a future asset. Additionally, detailed instructions are required on the use of post-tax rates, particularly regarding the inclusion or exclusion of deferred taxes.

Auditors may face increased complexity and costs in verifying future cash flow projections, and varying approaches by entities could reduce comparability across financial statements.

Balancing these factors is crucial for the effective adoption of the new requirements and achieving the desired improvements in financial reporting.

Question 8 - Proposed amendments to IFRS 19

Proposed Change

The Exposure Draft seeks to improve disclosures for subsidiaries without public accountability (IFRS 19), the Exposure Draft proposes aligning their requirements with the general amendments to IFRS 3. Eligible subsidiaries must disclose

- i. information about the strategic rationale,
- ii. quantitative information about expected synergies,
- iii. contributions of acquired businesses and
- iv. information on discount rate used in calculating value in use.



Question

Do you agree with the proposals for subsidiaries without public accountability?



Uniquus Point of View

We agree with the proposals as they ensure that subsidiaries without public accountability still provide relevant and comprehensive information about their business.

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Question 9 - Transition

Proposed Change

The Exposure Draft proposes transition provisions for implementing the amendments to IFRS 3, IAS 36 and the Subsidiaries standard without requiring restatement of comparative information. Entities must apply the amendments prospectively from the effective date.

Question



Do you agree with the proposals? Why or why not? If you disagree with the proposals, please explain what you would suggest instead and why.

Uniquus Point of View



We agree with the proposed transition provisions. Retrospective application is not necessary in this context, as no crucial decision-making hinges on the restatement of past financial information. Implementing the amendments prospectively simplifies the adoption process and reduces the burden on entities. This approach allows for a smoother implementation of the new requirements, ensuring that entities can focus on applying the new standards effectively without the additional complexities and resources required for retrospective restatement.

Overall, the proposed amendments in IASB Exposure Draft represent significant improvements in the transparency and usefulness of financial disclosures related to business combinations, goodwill, and impairment. The changes address key concerns and provide more relevant information to stakeholders. We recommend issuance of detailed implementation guidance to address some of the practical challenges associated with effective adoption of the enhanced requirements.



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