



# IFRS 3. Business Combinations

Business Combinations outlines the accounting when an acquirer obtains control of a business:

- An acquisition or
- A merger.

Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

A revised version of IFRS 3 was issued in January 2008 and applies to business combinations occurring in an entity's first annual period beginning on or after 1 July 2009.

IFRS 3 (2008) seeks to enhance the relevance, reliability and comparability of information provided about business combinations acquisitions and mergers and their effects.

It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

REFERENCE:  
Deloitte. IAS Plus The #1 website for global accounting news.  
Staff Editor. January 1, 2022.  
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<https://www.iasplus.com/en/standards/ifrs/ifrs3>