

Regroupements d'entreprises – Informations à fournir, goodwill et dépréciation

Réponses à l'exposé-sondage

Juillet 2024

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Réponse	Organisation
1	MNP LLP

June 13, 2024



SENT ELECTRONICALLY

Katharine Christopoulos, CPA, CA
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario
M5V 3H2

Dear Ms. Christopoulos,

Exposure Draft - Business Combinations – Disclosures, Goodwill and Impairment – Proposed amendments to IFRS 3 and IAS 36 (the “ED”)

Thank you for the opportunity to comment on the above ED.

MNP LLP (“MNP”) is one of Canada’s largest chartered professional accountancy and business advisory firms. Our clients include a wide variety of businesses and enterprises representing the mid-market segment in Canada. Additionally, our client base includes a sizable contingent of public interest entities. MNP is also the largest professional services provider to Indigenous groups and businesses in Canada. We believe that we are well-positioned to provide feedback on this ED.

We have attached our letter to the International Accounting Standards Board (“IASB”) as an appendix to this letter. We have reviewed the additional question regarding the proposed amendment that the Accounting Standards Board (“AcSB”) would like input on and we have set out our response below.

The IASB has developed the proposed amendments in accordance with its due process for application around the world. Assuming the Exposure Draft proposals are finalized and approved by the IASB in accordance with its due process, do you think that the proposals are appropriate for application in Canada? If not, please specify which aspects of the proposals, and what circumstances, make the accounting requirements proposed in the Exposure Draft inappropriate.

The proposed amendments would apply to all entities that prepare financial statements in accordance with IFRS® Accounting Standards. In Canada, a wide range of entities prepare their financial statements in accordance with IFRS Accounting Standards, including not-for-profit organizations, public and private entities, government business enterprises, government business partnerships and other government organizations.

MNP supports initiatives to improve disclosure about business combinations. However, we believe that specific proposals within the ED would create implementation challenges for Canadian mid market entities. Specifically, we have concerns about the substantial time and cost that would be necessary for these entities to implement and comply with the new disclosure

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requirements. These entities generally have fewer accounting resources available and less sophisticated forecasting processes and internal controls. We agree that it is important to appropriately balance the benefits of requiring an entity to disclose additional information with the costs of doing so.

Financial statements prepared using IFRS Accounting Standards are becoming increasingly complex and difficult to follow for many users. They also contain a large volume of information which financial statement users of mid market entities may not consider as relevant. In particular, the information needs of users of the financial statements of mid market entities may differ from large public interest entities. We expect that many Canadian mid market public interest entities do not have a significant investment analyst following. The proposals in this ED would add additional information to the notes to the financial statements, which may contribute to the “disclosure problem” by adding additional prescriptive requirements. The additional information may obscure more decision useful information for users of mid-market financial statements.

Please contact Maryse Vendette (maryse.vendette@mnp.ca) if you would like to discuss our responses or if we can be of any assistance to the AcSB on this project.

Yours truly,

MNP LLP

A handwritten signature in cursive script that reads "Maryse Vendette".

Maryse Vendette, CPA, Auditor
Partner, Assurance Professional Standards, Technical Services