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Business Combination Series

IFRS 3 Recognition Principles

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Preface

Welcome to the first publication in our 'Business Combination' series, a comprehensive exploration of the International Financial Reporting Standard that governs accounting for business combinations, IFRS 3. In this series, our objective is to provide clear guidance on IFRS 3, titled 'Business Combinations,' offering financial professionals, stakeholders, and decision-makers practical insights into the accounting rules that shape the treatment of mergers and acquisitions in the financial world.

Business combinations are transformative events with distinctive features. IFRS 3 serves as the guiding framework for recognizing and measuring assets and liabilities in these transactions. This standard has been in place for over a decade and has undergone thorough evaluations by the International Accounting Standards Board (IASB).

Each article in this series is carefully curated to unpack the complexities of the business combination, presenting concepts in a clear and actionable manner. From the basics to advanced techniques, we will explore various aspects of deal structures, delving into real-world case studies, tax issues, contract issues, regulatory issues, and practical applications. Our goal is to equip you with the tools and knowledge necessary to make informed financial decisions, whether you are

involved in mergers and acquisitions, real estate transactions, or any other financial deal.

The research underlying this report was run by the dedicated team of Helios Financial Group M&A practice team, led by Asadullah Khan, a partner. Valuable perspectives and advice were offered by a distinguished panel of academic and industry experts. Including, various articles, publications, books and research materials.

The report also benefited enormously from the contributions of HFG's global network of industry experts. It drew on HFG's in-depth analytical expertise, our work with leading preferred acquirer organizations, distinguished lawyers, esteemed tax advisors and our understanding of deals space around the world.

The authors would like to thank the external and internal advisers for their contributions. In addition, the authors would like to thank Ammad Ahmed and Waqas Ahmed for their help in art directing, producing, and disseminating this report.

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Endnotes

1. Ellen Eichhorn and Stephen Smith, "2019 CIO Agenda: Consumer Goods in a Climate of Change," Gartner, June 22, 2018.
2. Based on Deloitte's own consultative experience of working with clients on product life cycle management assessments and implementations.



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Helios Financial Group stands as a pinnacle of excellence in financial advisory, tax, strategy, transaction, and consulting services on a global scale. Our steadfast commitment to delivering unparalleled insights and top-tier services fosters trust and confidence within the international capital markets and economies. Through our relentless dedication, we nurture exceptional leaders who collaborate to fulfill our commitments to all stakeholders. This vital undertaking positions us as catalysts in constructing an improved working world, benefiting our people, clients, and communities alike.

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