

CPA Canada handbook – accounting, part III highlight summary no. III.15

March 2021

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Section 4449, Combinations by Not-for-Profit Organizations

This new Section provides the accounting requirements for the recognition, initial measurement and disclosure of a combination by not-for-profit organizations. The main features of Section 4449 are as follows:

- The scope of the Section includes combinations involving two or more not-for-profit organizations that are unrelated parties or related parties.
- A set of criteria to determine when a combination is accounted for as a merger or as an acquisition.
- Guidance on how to account for a merger or an acquisition.

Section 4449 applies prospectively to annual financial statements relating to fiscal years beginning on or after January 1, 2022. Earlier application is permitted.

Archived Pronouncements

To give Handbook readers continued access to superseded Sections and paragraphs in other Sections, the Archived Pronouncements set out the wording of those Sections and paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

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