

SECTION 1582

business combinations

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving amendments to RELATED PARTY TRANSACTIONS, Section 3840 (December 2025).

- .02 This Section applies to a transaction or other event that meets the definition of a business combination. This Section does not apply to:

...

- (b) a combination between entities or businesses under common control accounted for in accordance with RELATED PARTY TRANSACTIONS, paragraph 3840.44(b). [Former paragraph 1582.02(b), amended by amendments to Section 3840, retained in Archived Pronouncements]; and

...

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving ACCOUNTING GUIDELINE AcG-21, Accounting for Life Insurance Contracts with Cash Surrender Value.

- .21 Paragraphs 1582.A34-.A38 provide guidance on measuring the fair value of particular identifiable assets and a non-controlling interest in an acquiree. Paragraphs 1582.26-.33 specify the types of identifiable assets and liabilities that include items for which this Section provides limited exceptions to the measurement principle.
- .22 This Section provides limited exceptions to its recognition and measurement principles. Paragraphs 1582.23-.33 specify both the particular items for which exceptions are provided and the nature of those exceptions. The acquirer shall account for those items by applying the requirements in paragraphs 1582.23-.33, which will result in some items being:
- (a) recognized either by applying recognition conditions in addition to those in paragraphs 1582.12-.13 or by applying the requirements of other Sections, with results that differ from applying the recognition principle and conditions; and
- (b) measured at an amount other than their acquisition-date fair values.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving amendments to RELATED PARTY TRANSACTIONS, Section 3840 (September 2023).

- .02 This Section applies to a transaction or other event that meets the definition of a business combination. This Section does not apply to:

...

- (b) a combination between entities or businesses under common control; and

- .03 The following terms are used in this Section with the meanings specified:

...

- (e) A **business combination** is a transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as "true mergers" or "mergers of equals" are also business combinations as that term is used in this Section.

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