

The Research Centre of the School of Economics and Business
cordially invites you to a research seminar
on **Tuesday, 6 May 2025, at 12:30 CET** in room **D-122**
at the University of Ljubljana School of Economics and Business

Jiří Pospíšil

(Prague University of Economics and Business)

will present the article:

**Mergers and the missing regulation for financial reporting of
BCUCC**

The tools for un-realised profits distribution and tax restructurings

IASB's project aimed at developing a new financial reporting standard on business combinations under common control (BCUCC), but it was terminated without specific guidance on accounting for these particular transactions. Therefore, accountants, management, and auditors are left to find "their own" solution that would best fit the transaction they need to account for and include in the financial statements. In my research, I analyse the financial statements of Czech companies that undertook mergers (and spin-offs) and compare the method they have applied to the concept of IFRS 3. The research shows that most mergers in the Czech Republic do not comply with the definition of "business" set out by IFRS 3, nor does the concept of transfer of control. It also shows that the missing regulation for BCUCC, both at the IFRS and national levels, allows for the distribution of anticipated (unrealized) profits/gains together with an aggressive tax restructuring through inappropriate financial reporting.

We look forward to welcoming you at the seminar.