

**IAS 28 *Investments in Associates*** (March 2009)

**IAS 28 *Investments in Associates*—Potential effect of IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements* (as amended in 2008) on equity method accounting**

The IFRIC staff noted that the FASB's Emerging Issues Task Force (EITF) recently added to its agenda, EITF Issue No. 08-6 *Equity Method Investment Accounting Considerations*. EITF 08-6 addresses several issues resulting from the recently concluded joint project by the IASB and FASB on accounting for business combinations and accounting and reporting for non-controlling interests that culminated in the issue of IFRS 3 (as revised in 2008) and IAS 27 (as amended in 2008) and FASB SFAS 141(R) and SFAS 160.

The IFRIC noted that IAS 28 provides explicit guidance on two issues:

- How an impairment assessment of an underlying indefinite-lived intangible asset of an equity method investment should be performed
- How to account for a change in an investment from the equity method to the cost method.

Therefore, the IFRIC does not expect divergence in practice and decided not to add these issues to its agenda.