Staff paper

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IASB® meeting

Date	**May 2025**
Project	**Equity Method**
Topic	**Feedback from comment letters—Measurement of cost and Changes in ownership interests**
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Purpose of this paper

1. This paper summarises the feedback from comment letters on questions 1 and 2 of the Invitation to Comment (ITC) in the Exposure Draft *Equity Method of Accounting—IAS 28* Investments in Associates and Joint Ventures *(revised 202x)* (Exposure Draft).

2. This paper is for discussion only and the International Accounting Standards Board (IASB) is not asked to make any decisions on this paper at this meeting.

3. References to 'investor', 'associate' and 'significant influence' should be read as also referring to 'joint venturer', 'joint venture' and 'joint control' in relation to investments in joint ventures.

Structure of this paper

4. The feedback in this paper is structured as follows:

   (a) measurement of the cost of an associate, Question 1 of the ITC (paragraphs 6–21 of this paper); and

   (b) changes in an investor's ownership interest while retaining significant influence, Question 2 of the ITC (paragraphs 22–54 of this paper).

5. The questions asked in the ITC are reproduced in grey boxes.

Measurement of the cost of an associate

6. The IASB proposed an investor:

   (a) measure the cost of an associate, on obtaining significant influence, at the fair value of the consideration transferred, including the fair value of any previously held interest in the associate.

   (b) recognise contingent consideration as part of the consideration transferred and measure it at fair value. Thereafter:

      (i) not remeasure contingent consideration classified as an equity instrument; and

      (ii) measure other contingent consideration at fair value at each reporting date and recognise changes in fair value in profit or loss.

Question 1 of the ITC
Do you agree with these proposals? If you disagree, please explain why you disagree and your suggested alternative.

7. Almost all respondents who commented agreed with the proposed measurement for the cost of the investment. Some of these respondents said that the proposals would:

   (a) not be costly to implement because, prior to the investor obtaining significant influence, the previously held interest would have already been measured at fair value applying IFRS 9 *Financial Instruments*; and

   (b) reduce diversity in practice, fostering consistency and enhancing comparability.

8. The Norwegian Accounting Standards Board (NASB) said:

> …In our view, the proposed clarifications are largely converged with current practice. In our view, the main area where current

> practice might be mixed, is the measurement of contingent consideration. We do, however, agree with the proposed solution of requiring all contingent consideration to be measured at fair value and included in the cost of the associate. By anchoring the proposed solution in IFRS 3 Business Combinations and defining the 'cost of the associate or joint venture', rather than just 'cost', we believe the risk of unintentional effects to other standards where assets are initially recognised at cost, is low…

9. Most respondents who commented:

   (a) said that the proposed defined term 'cost of the associate' is unclear in respect to acquisition-related costs. That is, they said the IASB should specify whether acquisition-related costs should be recognised in profit and loss as incurred or recognised as part of the cost of the investment;

   (b) said that acquiring an ownership interest that leads to significant influence often involves considerable acquisition-related costs;

   (c) said the IASB should clarify how the IFRS IC May 2009 Agenda Decision [1] applies, given the proposals in the Exposure Draft, and

   (d) suggested the IASB should answer the application question: *How does an investor recognise the acquisition-related costs when applying the equity method of accounting?*

10. Respondents commenting on acquisition-related costs expressed different views on how these costs should be recognised:

    (a) some respondents, who are of the view that acquisition-related costs should be recognised in profit and loss as incurred, said recognition in profit and loss would:

[1] Which states that the cost of an investment in an associate determined in accordance with paragraph 10 of IAS 28 comprises its purchase price and any directly attributable expenditures necessary to obtain it.

(i) be consistent with the proposals in the Exposure Draft that were developed by reference to IFRS 3 *Business Combinations*, for example recognising the fair value of any previously held interest and recognising contingent consideration at fair value as part of the 'cost of the associate or joint venture'.

(ii) be consistent with IFRS 9 for financial assets measured at fair value through profit or loss.

(iii) remove the need for judgement by entities on whether costs incurred are acquisition-related costs.

(b) some respondents, who are of the view that acquisition-related costs should be recognised as part of the cost of the investment, said:

(i) the equity method is a cost-based approach like that in IAS 16 *Property, Plant and Equipment*.

(ii) recognition as part of the cost of investment would be better aligned with paragraph 6.5 of the *Conceptual Framework for Financial Reporting* [2] and IFRS IC May 2009 Agenda Decision.

(c) some respondents:

(i) acknowledged that, applying IFRS Accounting Standards, the recognition of acquisition-related costs might depend on whether the transaction is an acquisition of an asset or an acquisition of a business (as defined in IFRS 3);

(ii) acknowledged that IAS 28 does not specify whether acquiring an ownership interest of an associate is an acquisition of an asset or an acquisition of a business; and

[2] The historical cost of an asset comprising the consideration paid to acquire or create the asset plus transaction costs.

(iii) suggested the IASB introduce a practical solution in answering the application question on how to recognise acquisition-related costs.

(d) a few respondents suggested the IASB require including only incremental acquisition-related costs as part of the cost of the investment, similar to the requirements in IFRS 9 for financial assets not measured at fair value through profit or loss.[3] These respondents said that due diligence costs, which are often the most significant acquisition-related costs, generally fall outside the definition in IFRS 9, as they are incurred before the transaction is completed and might be incurred even if the deal does not complete.

11. European Securities and Markets Authority (ESMA) said:

> … ESMA is of the view that these costs should be expensed and, hence, not included in the carrying amount of the investment. The treatment of acquisition-related costs should be aligned with IFRS 3, which requires acquisition-related costs to be expensed. ESMA also notes that acquisition-related costs related to the acquisition of the investee's shares before attaining significant influence are expensed if those shares are measured at fair value through profit or loss. Therefore, in this case, the requirement to include acquisition-related costs in the carrying amount of the investment would result in the cost of the associate comprising only a part of the total acquisition-related costs incurred in acquiring the ownership interest (those incurred after obtaining significant influence), which seems inconsistent, even if the unit of account is different before and after obtaining the significant influence …

12. Dutch Accounting Standards Board (DASB) said:

> ... the ED is not fully clear on how to account for acquisition-related costs. We have the impression that the proposal does not allow the recognition of acquisition-related costs as part of the cost of the associate. In our view, acquisition-related costs

[3] Appendix A (Defined terms) to IFRS 9 define transaction costs as incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see paragraph B5.4.8). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

> should be capitalized for all acquisitions of associates (containing a business or not) …

13. A few respondents who commented disagreed with the proposed measurement of the cost of the investment. One respondent said that changes in the fair value of contingent consideration after initial recognition should be recognised as an adjustment to the cost of the investment.

General comments on the cost of an associate

14. A few respondents who commented on question 1 suggested the IASB:

    (a) clarify that preparers should not analogise from the measurement of 'cost of the associate' proposed in the Exposure Draft to other circumstances on the 'cost' of an asset or an investment; or

    (b) define 'initial carrying amount' of an associate without using the word 'cost'. This would help to avoid any misinterpretation or confusion with different definitions of 'cost' across IFRS Accounting Standards.

Other comments on initial recognition and measurement of an associate

Deferred tax effects related to fair value adjustments

15. The IASB proposed in paragraph 23 of the Exposure Draft:

> The carrying amount of the investment in the associate or joint venture shall include the investor's or joint venturer's share of the fair value of the associate's or joint venture's identifiable assets and liabilities, including the related deferred tax effects.

16. The IASB did not include a question in the ITC of the Exposure Draft on proposal in paragraph 15 of this paper; however, some respondents commented on it. Respondents who commented had different views:

	Agreed	Disagreed	Raising concerns
Many	See paragraph 17 of this paper	--	--
A few	--	See paragraph 18 of this paper	--
Some	--	--	See paragraph 19 of this paper

17. Many respondents who commented agreed with the proposal to include the related deferred tax effects and said that:

    (a) this practice is already widely applied;

    (b) the proposal would lead to a faithful representation of the financial effects of obtaining an investment in an associate by reflecting the future tax consequences related to the fair value adjustments;

    (c) the proposal is consistent with the concepts underlying the requirements for business combinations in IFRS 3; and

    (d) benefits for users would outweigh the costs for preparers.

18. A few respondents who commented disagreed with the proposal to include the related deferred tax effects and questioned:

    (a) whether the carrying amount of the associate should include the investor's share of the fair value of the associate's identifiable assets and liabilities, it follows that the deferred tax effects related to fair value adjustments are also questionable.

    (b) whether the recognition of the deferred tax effect provides users with relevant information.

19. Some respondents who commented expressed concerns about the proposal to include the related deferred tax effects:

    (a) requiring recognition of the deferred tax effects related to fair value adjustments triggers the question of whether acquiring an ownership interest in an associate is an acquisition of a business or the acquisition of an asset. These respondents said that the proposals should only be applied if the associate meets the definition of a business in IFRS 3. These respondents explained that, if an investee is a single-asset entity that is not a business:

(i) when the investor acquires a controlling interest of such an entity, IFRS 3 does not apply and the initial recognition exception in IAS 12 *Income Taxes* applies; whereas

(ii) when the investor obtains significant influence or joint control, applying the proposal in the Exposure Draft, the investor would recognise the deferred tax effects related to fair value adjustments.

These respondents suggested maintaining symmetry between IFRS 3 and IAS 28 for situations where an investee is a single-asset entity that is not a business.

(b) whether the benefit of the information for users would outweigh the costs and complexity for preparers, particularly:

(i) when there are frequent changes in ownership interests; and/or

(ii) investors have limited access to information from associates, which would add to the difficulty of determining fair value adjustments and then to their related deferred tax effects.

Aligning the definition of cost of investment in separate financial statements

20. Some respondents expressed concern that paragraph 10(a) of IAS 27 *Separate Financial Statements* and the Exposure Draft do not define the cost of an investment in separate financial statements:

(a) a few of these respondents said that defining ‘cost’ in IAS 27 would help address gaps in requirements, for example, how to account for previously held interests, contingent consideration, and acquisition-related costs when accounting for an investment at cost in an entity’s separate financial statements.

(b) a few of these respondents questioned whether (and how) the proposed definition of 'cost of the associate' in Appendix A to the Exposure Draft would affect IFRS IC January 2009 Agenda Decision (Investment in a subsidiary accounted for at cost: Step acquisition (IAS 27 Separate Financial Statements)—Agenda Paper 4B).

Introduce further requirements/application guidance from IFRS 3

21. Some respondents suggested the IASB introduce (into IAS 28) further requirements and application guidance from IFRS 3, for example:

(a) application guidance on the 'measurement period'.[4] Respondents said that:

(i) acquiring an ownership interest that leads to significant influence might occur shortly before the end of the reporting period, and the accounting is incomplete at the reporting date; and

(ii) investors need additional time to complete their notional purchase price allocation and this can impact the notional allocation between goodwill and other assets, which sometimes could be material depending on facts and circumstances.

(b) the requirement that before recognising a gain on a bargain purchase an entity ensures that the measurements appropriately reflect consideration of all available information as of the acquisition date.[5] Respondents said that:

(i) reminding investors to carefully assess the identification of assets and liabilities assumed before recognising a bargain purchase gain is an important safeguard, which promotes faithful representation of gain from a bargain purchase; and

[4] Paragraphs 45–50 and 58 of IFRS 3.

[5] Paragraph 36 of IFRS 3.

(ii) this requirement would mitigate the risk of potential overstatement of goodwill included in the carrying amount of the investment when the investor obtains significant influence.

Changes in an investor's ownership interest while retaining significant influence

22. In the Exposure Draft, the IASB proposed to require that an investor:

(a) at the date of purchasing an additional ownership interest in an associate:

(i) recognise that additional ownership interest and measure it at the fair value of the consideration transferred;

(ii) include in the carrying amount the investor's additional share of the fair value of the associate's identifiable assets and liabilities; and

(iii) account for any difference between (i) and (ii) either as goodwill included as part of the carrying amount of the investment or as a gain from a bargain purchase in profit or loss.

(b) at the date of disposing of an ownership interest:

(i) derecognise the disposed portion of its investment in the associate measured as a percentage of the carrying amount of the investment; and

(ii) recognise any difference between the consideration received and the amount of the disposed portion as a gain or loss in profit or loss.

(c) for other changes in its ownership interest in an associate:

(i) recognise an increase in its ownership interest, as if purchasing an additional ownership interest. In (a)(i), 'the fair value of the consideration transferred' shall be read as 'the investor's share of the change in its associate's net assets arising from the associate's redemption of equity instruments'.

(ii) recognise a decrease in its ownership interest, as if disposing of an ownership interest. In (b)(ii) 'the consideration received' shall be read as 'the investor's share of the change in its associate's net assets arising from the associate's issue of equity instruments'.

Question 2 of the ITC

Do you agree with these proposals?

If you disagree, please explain why you disagree and your suggested alternative.

23. We have summarised the feedback on each aspect of the proposals in paragraph 22 of this paper separately. Not all the respondents commented on all aspects of these proposals, most respondents focused on the proposal to include in the carrying amount the investor's additional share of the fair value of the associate's net assets (paragraph 22(a)(ii) of this paper).

Purchases of an additional ownership interest—previously held interest

24. Of those respondents that answered question 2, almost all agreed that an investor, on purchasing an additional ownership interest while retaining significant influence, neither remeasures the carrying amount of the previously held interest nor the share of the associate's net assets included in the carrying amount of that interest.

Purchases of an additional ownership interest—additional share of the associate's net assets

25. As explained in paragraph 22 of this paper, in the Exposure Draft, the IASB proposed an investor at the date of purchasing an additional ownership interest in an associate include in the carrying amount the investor's additional share of the fair value of the associate's net assets. Paragraphs BC21–BC27 of the Basis for Conclusions on the Exposure Draft explained the IASB's rationale for these proposals, including that the proposal is consistent with the principle that fair value provides relevant information and faithfully represents any additional goodwill acquired.

Summary of the feedback

26. Respondents expressed mixed views of the proposals for purchases of an additional ownership interest while retaining significant influence. We have categorised respondents in three groups:

    (a) respondents that agreed with the proposal;

    (b) respondents that accepted the rationale for the proposal but expressed concern on the cost and the complexity of applying it, especially for minor or frequent purchases of additional interests; and

    (c) respondents that disagreed with the proposal.

27. The respondents in the first group include all users, most regulators, most accounting firms and many national standard setters. Some respondents explained that practice in their jurisdiction is aligned with the proposal.

28. ESMA commented:

> While ESMA acknowledges that the proposed layered approach to purchasing an additional ownership interest in an associate while retaining significant influence could be burdensome in some cases of staged acquisitions, it considers this approach to be superior to other potential solutions.

29. Société Française des Analystes Financiers commented:

> We support the proposed treatment when purchasing (or selling) additional ownership while retaining significant influence, i.e. adjusting the equity method associate with the fair value of the additional ownership purchased (or sold). This requires a measure of net assets and liabilities of the associates at the time of additional purchase.
>
> The main reason for this support is that the resulting total amount for associates reflects the full amount of capital invested in the equity associates, as key measure for investors, and a necessary information to properly fulfil the stewardship goal. This process of adding different valuations levels for the associate fairly reflects the different prices paid at different moments.

30. The respondents in the second group, mainly national standard-setters, accepted the IASB's rationale for requiring the use of fair values at the date of purchase. However, these respondents said that they had significant concerns about the application of the proposal for the following reasons:

    (a) determining the fair values of the associate's net assets is costly and complex;

    (b) investors have limited access to information about associates, which adds to complexity;

    (c) investors might have many purchases of additional ownership interests and possibly at close intervals. The fair values might not change significantly over short periods of time, and requiring the investor to determine the fair value at each purchase is cumbersome and has little benefit; and

    (d) the effect on the investor's share of the associate's profit and loss might not be material when compared to the cost of producing the information.

31. The Malaysian Accounting Standard Board commented:

> Whilst entities are expected to apply materiality judgement when applying the proposed requirements based on their specific facts and circumstances, it would be helpful if the IASB also consider alternative procedures or reliefs to performing the notional fair value adjustments to situations (1) where the required information is not practically obtainable without undue costs or efforts, or (2) when the purchase of additional ownership interest is insignificant, or involving a series of insignificant purchases, taking the cost-benefit analysis into consideration. A possible practical solution is to permit the use of cost as the approximate fair value measure of the associate's identifiable assets and liabilities, particularly in circumstances involving insignificant purchase or a series of insignificant purchases of additional ownership interest in an associate.

32. The respondents in the third group disagreed with the proposal. In addition to the practical concerns of determining the fair values at each date of purchase, as set out in paragraph 30 of this paper, they argued there are inconsistencies between proposals in the Exposure Draft, because purchases of additional interests are proposed to be

recognised as separate layers, while disposals are proposed to be measured as a proportion of the carrying amount of the investment.

33. These respondents also commented that using fair values at different dates requires an entity to calculate separate adjustments to its share of the associate's results for each 'layer', which they viewed as unnecessarily complex.

34. It should be noted that some of the respondents in this group disagreed with using fair values of the associate's net assets, in their view, IAS 28 should not require any fair value adjustments, including when the investor obtains significant influence or joint control.

Alternatives suggested by the respondents

35. Some of the respondents in the second and third group suggested alternatives, although no alternative is supported by a majority. The suggested alternatives included:

(a) introducing additional guidance to help preparers apply materiality when purchasing additional ownership interest;

(b) providing relief from determining the fair value of the investor's additional share of the associate's net assets at the date of purchase;

(c) using the carrying amounts of the net assets in the associate's financial statements, with no fair value adjustment, with the difference between the consideration paid and this amount included in goodwill;

(d) using the same amounts used for the previously held interest (that is, the fair value of the associate's net assets at the date the investor obtained significant influence plus the post-acquisition changes); and

(e) recognising the consideration paid for the additional interest as goodwill included in the carrying amount of the investment.

36. A few respondents suggested that an investor recognises the purchase of an additional ownership interest in accordance with IFRS 10 *Consolidated Financial Statements*, that is as a purchase of a non-controlling interest.

Purchases of an additional ownership interest—bargain purchase gain

37. A few respondents who commented on this proposal, disagreed that an investor purchasing an additional interest recognises a bargain purchase gain in profit or loss, when the carrying amount of the investment includes goodwill. These respondents supported recognising a bargain purchase gain against the goodwill included in the carrying amount of the investment. These respondents are concerned that the proposal may create opportunities to manage earnings.

38. For example, the China Accounting Standards Committee noted that:

> If the new purchase and the original purchase constitute a package transaction, then the new purchase and the original purchase are actually different steps of the same transaction. This assumes that the original purchase brings positive goodwill, but the negative goodwill (i.e. a bargain purchase gain) from the new purchase is not comprehensively considered with the positive goodwill contained in the carrying amount of the previous investment. Instead, the negative goodwill from the new purchases will be fully included in the current profit and loss, which will make the accounting results are not consistent with the economic essence of the transactions, magnify the impact on the investor's current profit and loss, and potentially create opportunities for manipulating profits through structuring transactions.

39. A few respondents noted that a bargain purchase gain may provide an indication that the previously held interest may be impaired. This matter is considered in Agenda Paper 13C of this meeting.

Other comments—implication of the 'layers' approach to summarised financial information disclosed in accordance with IFRS 12

40. Paragraph B14 of IFRS 12 *Disclosure on Interest in Other Entities* states that the summarised financial information disclosed in accordance with paragraphs B12–B13 of IFRS 12 shall be the amounts included in the financial statements of the joint venture or associate. If the entity accounts for its interest in the joint venture or associate using the equity method:

    (a) the amounts included in the financial statements of the joint venture or associate shall be adjusted to reflect adjustments made by the entity when using the equity method, such as <u>fair value adjustments made at the time of acquisition</u> and adjustments for differences in accounting policies.

    (b) the entity shall provide a <u>reconciliation</u> of the summarised financial information disclosed to the carrying amount of its interest in the joint venture or associate.

41. A few respondents who commented on the proposal related to question 2 of the ITC, expressed concerns that the proposal on the 'layers' approach could raise some challenges in fulfilling the disclosure requirements in B14 of IFRS 12.

42. These respondents said that if there are multiple layers (that is, on obtaining significant influence plus purchases of additional ownership interests):

    (a) there will be different 'fair value adjustment' that will need to adjust an associate's financial statements so the 'reconciliation' might be challenging; and

    (b) the IASB would need to provide guidance on how financial information required in accordance with B14 of IFRS 12 be determined.

Disposals of an ownership interest

43. Most respondents who commented agreed with the proposal. Some of these respondents asked the IASB clarify how to measure the proportion of the carrying amount of the investment to be derecognised, when the investor has purchased its ownership interest in stages and has applied the 'layers' approach to the purchases of the interest.

44. A few respondents agreed with the proposal except that they recommended the investor be allowed, in some circumstances, to derecognise an identified portion of the investment rather than measure the portion of the investment to be derecognised on a proportional basis, such as when different entities in a Group hold portions of an interest in an associate.

45. To illustrate the point made by these respondents, assume a group holds a 30% interest in an associate, with Entity A owning 25% and Entity B owning 5%. Entity B sells its shares, and the Group maintains significant influence. The respondents would recommend the investor be allowed, at consolidated level, to measure the portion derecognised at the carrying amount of the specific 5% disposed, and not as a proportion (5/30) of the carrying amount.

46. One respondent raised a concern about the proposal when the investor's ownership interest comprises different classes of shares:

> However, simply applying the portion as defined in Exposure Draft IAS 28.32 to all partially disposed investments in associates could lead to distortions if the investment consists of several (acquisition) tranches and different classes of shares with differences in economically relevant characteristics are contained.

Other changes in an ownership interest

47. As explained in paragraph 22 of this paper, in the Exposure Draft the IASB proposed an investor recognise other changes in the ownership interest as purchases or disposals

of an interest in an associate. Paragraphs BC39–BC44 of the Basis for Conclusions on the Exposure Draft explained that the proposal is consistent with the principle that these transactions are economically similar.

48. The proposal would result, among other things, in presenting dilution gains or losses in profit or loss. IAS 28 has neither recognition nor presentation requirements for dilution gains or losses. While recognising those gains or losses and presenting them in profit or loss is a common accounting practice, other practices are applied.

49. As a reminder, the proposal refers to *changes in the investor's ownership interest* which include transactions such as:

(a) an associate issuing new shares, the investor subscribing for those shares in full, and increasing its own ownership interest;

(b) an associate redeeming part of the investor's shares, and the investor decreasing its own ownership interest; and

(c) an associate issuing new shares to (or redeeming the shares of) another shareholder, causing the investor's ownership interest to decrease (or increase).

50. Respondents expressed mixed views on the proposal. We have categorised respondents into four groups:

(a) respondents that supported the proposal;

(b) respondents that agreed that other changes should be treated as if they were purchases or disposals of an interest in an associate, but as described, have concerns with the proposal for purchases of additional ownership interests;

(c) respondents that recommended the IASB clarify the application of the proposal and include other transactions that the proposal does not address; and

(d) respondents that disagreed with the proposal.

51. Some respondents who commented on this proposal, recommended the IASB clarify the application of the proposal and include other transactions that the proposals do not

address. These respondents were mostly from Asia and Europe and included many standard-setters and accounting firms. These respondents identified the following transactions:

(a) an associate's subsidiary issuing new shares to a third party. This transaction changes the associate's (consolidated) net assets but does not change the investor's direct ownership interest in the associate;

(b) an associate issuing a share-based payment. During the vesting period, the associate recognises the cost of the awards issued (affecting the investor's share of profit or loss) but neither the associate's net assets nor the investor's ownership interest change[6]; and

(c) an associate issuing new shares and the investor subscribing for the new shares for less than its current ownership interest, thereby decreasing its ownership interest. Respondents asked if the investor recognises the transaction as a net disposal or separates the transaction to recognise a purchase and a dilution.

52. Some of these respondents suggested the IASB provide guidance for these transactions by adding requirements and/or illustrative examples. However, in outreach events, some participants suggested that it would be preferable to identify a general principle that applies to all transactions and events. A few respondents suggested that the IASB should not proceed with the proposal unless it can find a holistic solution for all types of transactions.

53. Some of these respondents also recommended the IASB improve the wording of the proposal in paragraph 34 of the Exposure Draft, for example in relation to how the reference to 'consideration transferred' or 'consideration paid' is explained in the context of newly issued shares or buybacks.

54. Those respondents in the fourth group disagreed with the proposal because they do not agree with the principle that these transactions are economically similar to

[6] Paragraph BC46 of the Basis for Conclusion on the Exposure Draft explains that the IASB considered that developing requirements to address such transactions would have been time consuming and probably delay the project considerably.

purchases and disposals of ownership interests. These respondents argued that a transaction should affect an investor's performance only if the investor is a party to the exchange transaction. Based on these respondents' views, when the investor is not a party to the transaction, the investor should:

(a) not make any adjustment to its investment; and/or

(b) present the effects of the transaction outside its profit or loss.

Question for the IASB

Question for the IASB
Does the IASB have: (a) any questions or comments on the feedback discussed in this paper; or (b) any preliminary advice to the staff?