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## IASB<sup>®</sup> meeting

Date           **September 2025**  
Project       **Equity Method**  
Topic         **Cover paper**  
Contact       Mostafa Mouit ([mmouit@ifrs.org](mailto:mmouit@ifrs.org))

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Introduction and purpose of this meeting

1. In September 2024, the International Accounting Standards Board (IASB) published the Exposure Draft [\*Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures \(revised 202x\)\*](#) (the Exposure Draft).
2. The purpose of this meeting is to start redeliberating the proposals in the Exposure Draft, taking into consideration the feedback on the proposals. Paragraph 7 of this paper details the papers for discussion at this meeting.

## Structure of this paper

3. This paper is structured as follows:
  - (a) project background (paragraphs 4–6 of this paper);
  - (b) papers for this meeting (paragraph 7 of this paper);
  - (c) next steps (paragraph 8 of this paper); and
  - (d) Appendix A—Summary of the IASB's tentative decisions in redeliberating the proposals in the Exposure Draft to date.

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## Project background

4. The project objectives are:
  - (a) to reduce diversity in practice by answering application questions on the equity method of accounting; and
  - (b) to improve the understandability of IAS 28.
5. In the Exposure Draft, the IASB proposed amendments to IAS 28 that answered application questions within the project's scope, including improvements to disclosure requirements. The IASB also proposed to reorder the requirements in IAS 28 in a more logical and consistent way to help with its application.
6. At its May 2025 meeting, the IASB discussed a summary of the feedback on its Exposure Draft. At its June 2025 meeting, the IASB discussed the plan for the next stage of the project. See Appendix A of this paper for further details.

## Papers for this meeting

7. Agenda papers for discussion at this meeting include:
  - (a) Agenda Paper 13A *Scope of the project—Consideration of additional application questions*. It recommends the IASB:
    - (i) adds to the scope of the project the application question: '*How does an investor recognise acquisition-related costs when applying the equity method?*'; and
    - (ii) does not add application questions on:
      - qualifying criteria to use the fair value option; and
      - obtaining significant influence over an associate that does not constitute a business.

- (b) Agenda Paper 13B *Changes in an investor's ownership interest—Purchase of an additional interest*. It recommends, as a next step in considering the feedback on the proposed answer to the application question: '*How does an investor apply the equity method when purchasing an additional interest in an associate while retaining significant influence?*', the IASB explores providing guidance on how to apply materiality and/or providing relief from the proposal in the Exposure Draft.

## Next steps

8. The IASB will continue redeliberating the proposals in the Exposure Draft.

## Appendix A—Summary of the IASB’s tentative decisions in redeliberating the proposals in the Exposure Draft to date

Table A1—IASB’s decisions

IASB Meeting	Topic	IASB’s decisions
<a href="#">May 2025</a>	Overview of feedback on the proposals—including feedback on the project objective and approach	1. The IASB discussed a summary of the feedback from comment letters and from outreach activities on its Exposure Draft. The IASB was not asked to make any decisions.
<a href="#">June 2025</a>	Project plan for redeliberation of the Exposure Draft proposals	<p>2. The IASB decided:</p> <ul style="list-style-type: none"> <li>to keep the project’s objectives unchanged;</li> <li>to consider adding application questions to the project’s scope only if they can be resolved in a timely manner and would not result in re-exposure of the proposals in the Exposure Draft—that is, to use a high hurdle when considering adding application questions to the project’s scope; and</li> <li>to proceed with redeliberating the proposals in the Exposure Draft.</li> </ul> <p>3. The IASB also decided not to describe a project on a fundamental review of the equity method in the request for information on the IASB’s Fourth Agenda Consultation.</p>