
Financial Instruments Consultative Group meeting

Date	March 2026
Project	Amendments to the Fair Value Option (IAS 28)
Topic	<i>Exposure Draft Amendments to the Fair Value Option for Investments in Associates and Joint Ventures</i>
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Purpose of this session

The purpose of this session is:

- a) to provide FICG members with an overview of the Exposure Draft Amendments to the Fair Value Option for Investments in Associates and Joint Ventures; and
- b) to ask FICG members for their views on the question on slide 5.

Contents



Question

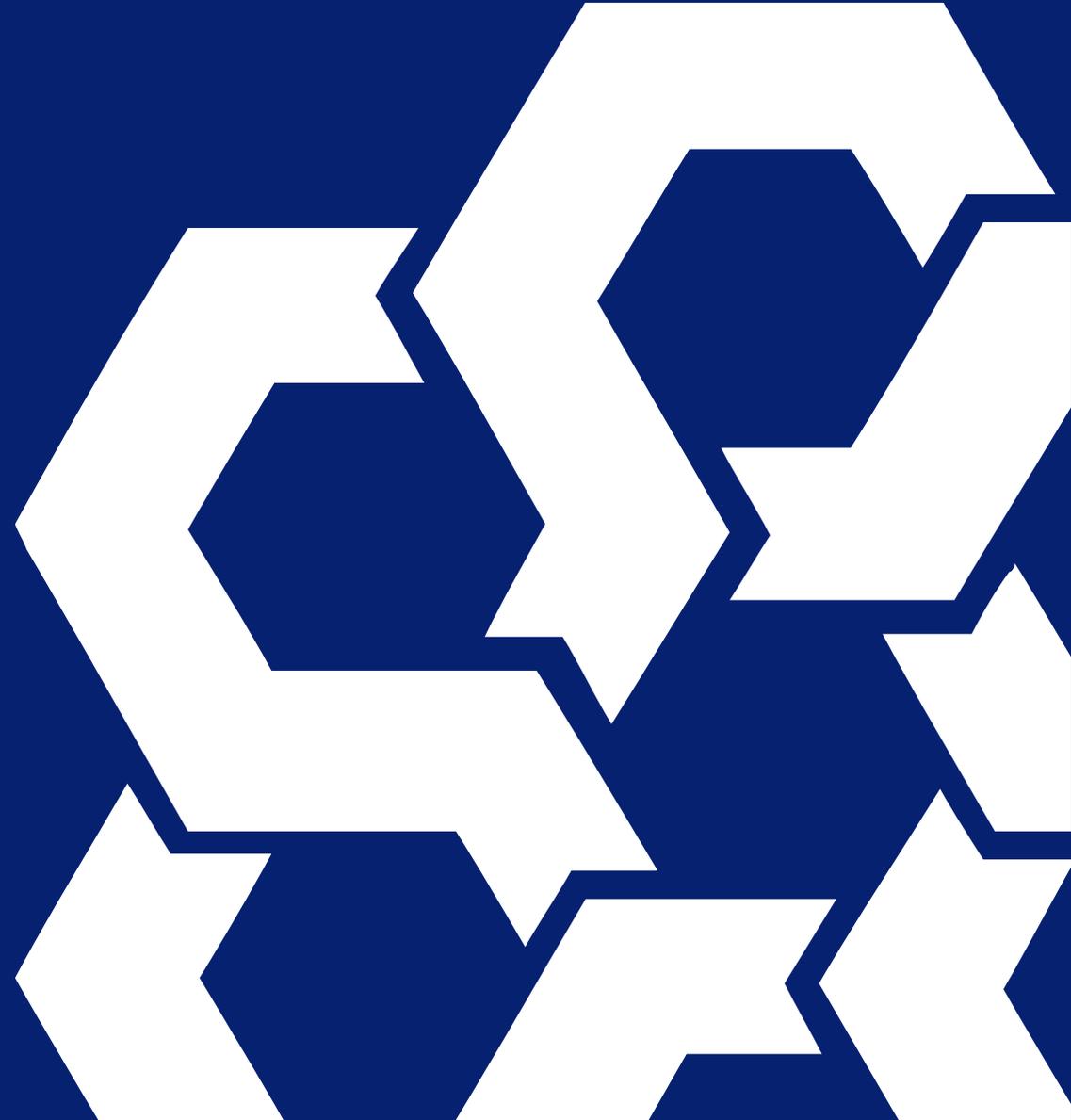


Background



Proposed amendments

Question



Question for FICG members

Proposed amendments to IAS 28

In your view, are the proposed amendments to IAS 28 (see slide 12) an appropriate and timely solution to the issues described on slide 8?

Background



Objective of the project

Explore narrow-scope amendments to **clarify which entities are eligible** to measure investments in associates and joint ventures using the **fair value option** in IAS 28 *Investments in Associates and Joint Ventures*

Currently, eligible entities include venture capital organisations, or a mutual fund, unit trust and **similar entities including investment-linked insurance funds**



Diversity in practice



Stakeholders reported **diversity** in views about **which entities are eligible to use the fair value option in IAS 28**. The IASB concluded that this diversity arises because of:

- a lack of clarity in the meaning of ‘similar entities including investment-linked insurance funds’
- different interpretations about the relationship between the requirements in IAS 28 and IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 Classification

Operating category

Income and expenses from investments in associates and joint ventures that an entity invests in as a **main business activity** and accounts for using the **fair value option** in IAS 28

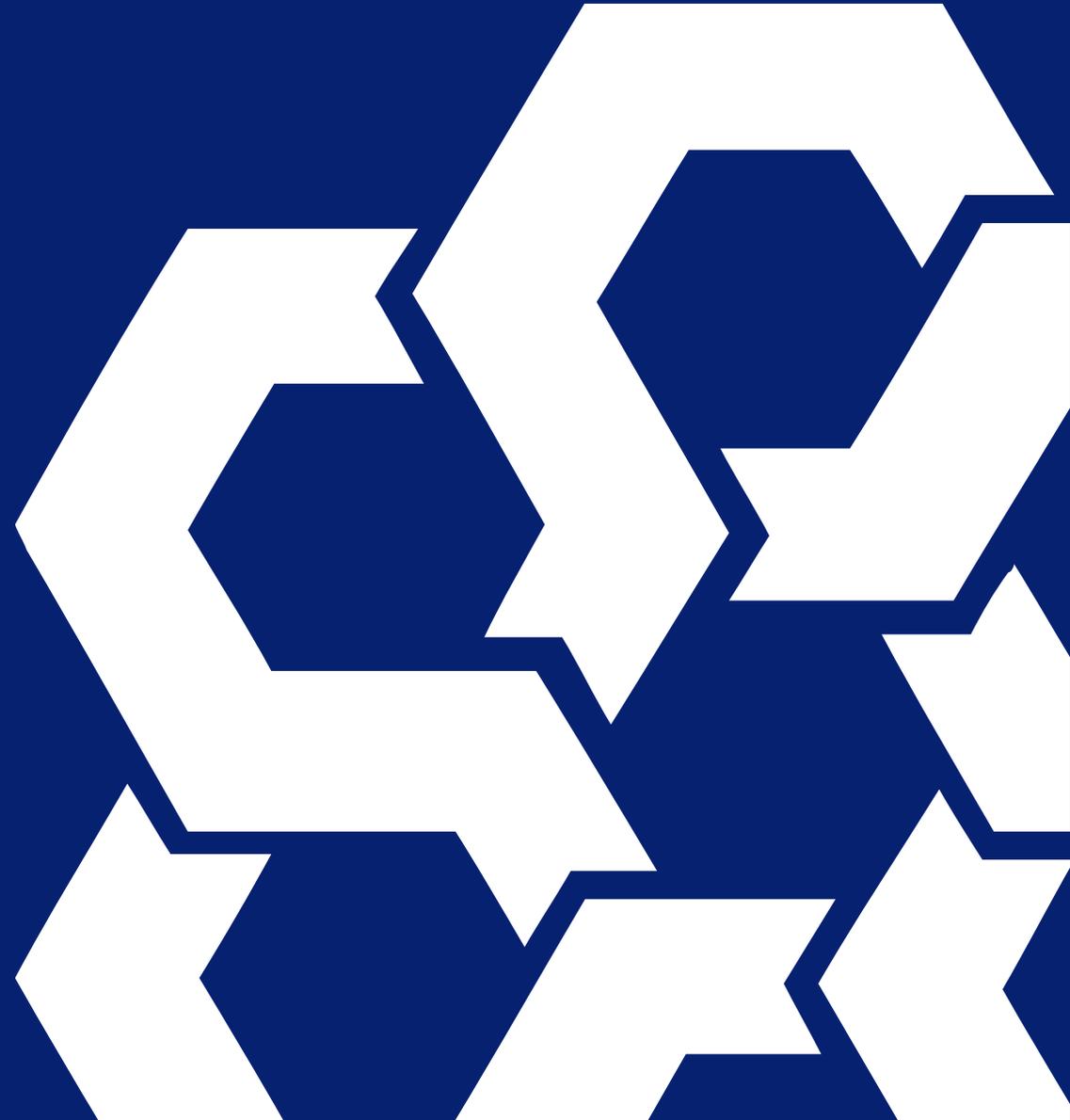
Investing category

Income and expenses from **any other** investments in associates and joint ventures



Some stakeholders are considering **expanding their use of the fair value option** in IAS 28 to enable them to classify income and expenses in the operating category

Proposed amendments



Exposure Draft

In February 2026, the IASB **published the Exposure Draft Amendments to the Fair Value Option for Investments in Associates and Joint Ventures**

The Exposure Draft will be open for comment for 60 days, with the comment period closing on **20 April 2026**

The IASB plans to finalise any amendments by mid-2026



Proposed amendments to IAS 28

The Exposure Draft **proposes clarifying** that an entity that has a main business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18)¹ is eligible to elect the fair value option in IAS 28

- IAS 28 **currently restricts** use of Fair Value Option to investments in associates and joint ventures held by particular entities
- Amendments should **focus on only the issues identified** (see slide 8)
- **Aligning** the requirement in IAS 28 directly **with IFRS 18 reduces risk** of different interpretations in the Standards and avoids adding complexity to IAS 28
- Strong demand for an unrestricted fair value option will be considered

¹ Particular types of assets include investments in associates, joint ventures and unconsolidated subsidiaries; cash and cash equivalents; and other assets if they generate a return individually and largely independently of the entity's other resources.

Effective date and transition

An entity is required to apply amendments at the **same time**, and on the **same basis**, as it **applies IFRS 18**



On initial application of IFRS 18 an entity may elect to measure investments in associates and joint ventures using the fair value option in IAS 28



The IASB noted that **aligning the effective dates** would:

- allow entities to consider any effects on their reporting at the same time
- provide timely clarity for affected entities

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