
IASB[®] meeting

Date	May 2026
Project	Amendments to the Fair Value Option (IAS 28)
Topic	Cover paper (fair value option in IAS 28)
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Purpose of the meeting

1. In February 2026, the International Accounting Standards Board (IASB) published the [Exposure Draft](#) *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* which proposed amendments to paragraphs 18–19 of IAS 28 *Investments in Associates and Joint Ventures*. The comment period ended on 20 April 2026.
2. The purpose of this meeting is to:
 - (a) provide the IASB with:
 - (i) a summary of the feedback on the Exposure Draft; and
 - (ii) our analysis and recommendations on how to proceed.
 - (b) ask the IASB whether it agrees with our recommendations.

Structure of agenda papers for this meeting

3. This cover paper includes:
 - (a) [background](#) (paragraphs 6–7);
 - (b) [summary of proposals in the Exposure Draft](#) (paragraphs 8–14); and

- (c) [Feedback overview](#) (paragraphs 15–19).
4. [Appendix A](#) to this paper explains how we have described the feedback in comment letters in all the papers for this meeting.
5. In addition to this paper, there are two agenda papers for this meeting:

Agenda papers	Description
<p>Agenda Paper 12F <i>Feedback, staff analysis and recommendations (fair value option in IAS 28)</i></p>	<p>This paper:</p> <ul style="list-style-type: none"> (a) summarises the feedback on the proposal in the Exposure Draft; (b) provides our analysis of, and recommendations on that feedback; and (c) asks whether the IASB agrees with our recommendations.
<p>Agenda Paper 12G <i>Due process (fair value option in IAS 28)</i></p>	<p>This paper sets out due process steps and requests permission to ballot amendments to IAS 28 (subject to the IASB’s decisions at this meeting).</p>

Background

6. Paragraphs 18–19 of IAS 28 permit particular entities to elect to measure an investment in an associate or a joint venture at fair value through profit or loss in accordance with IFRS 9 (fair value option in IAS 28).
7. In October 2025, the International Accounting Standards Board (IASB) added to its work plan a project to 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. The IASB decided to propose these amendments because stakeholders, particularly those in the insurance industry, informed the IASB about diversity in how the requirements for the fair value option in IAS 28 are applied and

the effects of that diversity on the classification of income and expenses in the statement of profit or loss in accordance with IFRS 18.

Summary of proposals in the Exposure Draft

8. Paragraphs BC9–BC13 of the Exposure Draft explain why the IASB decided to develop amendments that focus on only the issues identified—that is, the lack of clarity about the meaning of ‘similar entities including investment-linked insurance funds’ and the different interpretations of the relationship between the scope of the requirements in IAS 28 and IFRS 18.
9. The IASB reached this decision after considering that any proposed amendments to the fair value option should:
 - (a) be narrow in scope and focus only on the concerns identified;
 - (b) not affect entities that already use the fair value option in IAS 28; and
 - (c) minimise the risk of unintended consequences for other requirements in IFRS Accounting Standards and the IASB’s other projects.
10. The IASB considered whether to respond to stakeholders’ concerns by making the fair value option available to all entities, instead of restricting it to particular entities. However, the IASB concluded that such a project could not be completed in time for the change to be available to entities by the effective date of IFRS 18 and would go beyond the issues identified by stakeholders.¹ Nonetheless, the IASB noted that if feedback on this project indicates strong demand for an unrestricted fair value option in IAS 28 as an alternative to equity method accounting, it will consider how to respond to that feedback in the context of its work plan priorities.
11. Paragraphs BC14–BC16 of the Exposure Draft explain that the IASB decided to clarify that, in paragraph 18 of IAS 28, similar entities include those that have a main

¹ IFRS 18 *Presentation and Disclosure in Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2027.

business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18).

12. Some IASB members expressed a view that the requirement should be further refined to ensure that the fair value option in IAS 28 is limited to those investments in associates and joint ventures that an entity invests in as a main business activity. However, the IASB concluded that aligning the requirement in paragraph 18 of IAS 28 directly with the requirement in paragraph 49(a) of IFRS 18 would reduce the risk of different interpretations between the requirements in IAS 28 and IFRS 18 and avoid adding further complexity to the requirements in paragraph 18 of IAS 28.
13. Paragraphs BC17–BC18 of the Exposure Draft explained that the matter of whether or not to make the fair value option in IAS 28 revocable is beyond the scope of the project. Therefore, the IASB did not propose any related changes as part of these narrow-scope amendments.
14. Paragraphs BC20–BC21 of the Exposure Draft explain the IASB’s proposal to require an entity to apply any amendments to paragraphs 18–19 of IAS 28 at the same time, and on the same basis, as it applies IFRS 18.

Feedback overview

Overview of respondents

15. The IASB received 79 comment letters by the comment letter deadline.² The charts below group the responses by type of respondent and geographical region:

² As at the date of posting this agenda paper, the IASB received two comment letters after the comment letter deadline.

Chart 1— Respondents by type of respondent

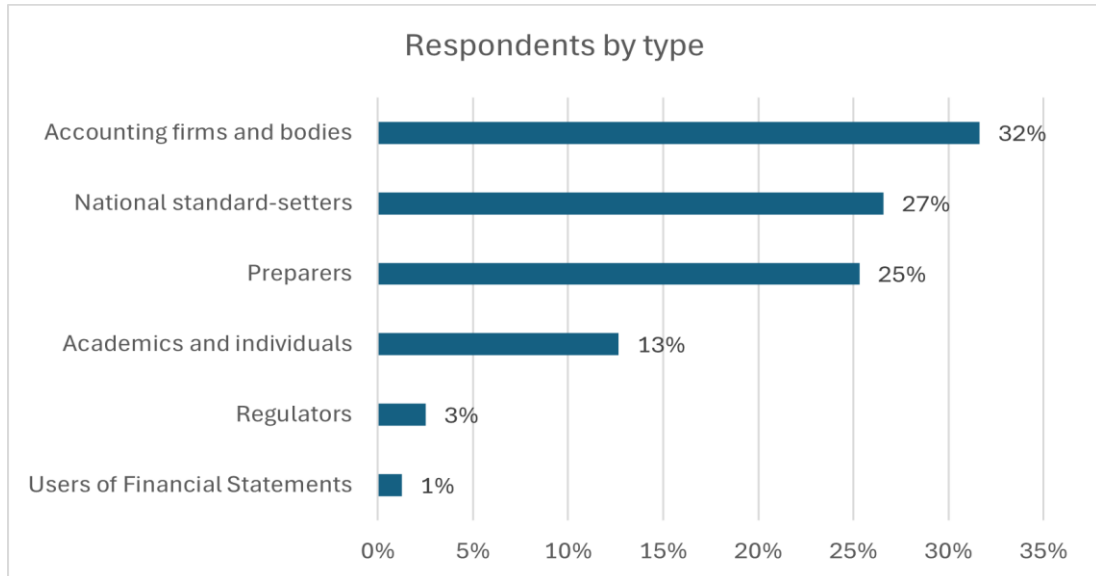
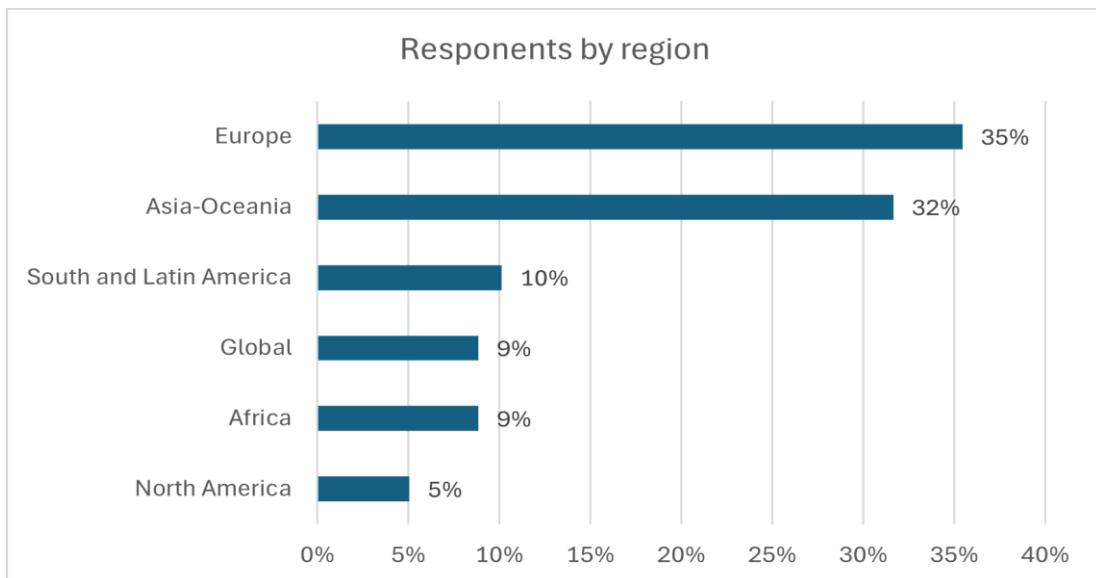


Chart 2— Respondents by geographical region



Summary of feedback

16. The following is a high-level summary of feedback:

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- (a) most respondents generally support the proposed amendments to the fair value option because the amendments respond to stakeholder concerns about the identified diversity in practice;
 - (b) many respondents suggested further clarifying the intended scope and practical application of the amendments to ensure they are consistently interpreted and applied;
 - (c) most of the respondents that supported the proposed amendments also strongly suggested the IASB consider the need for an unrestricted fair value option in the near future; and
 - (d) almost all respondents that commented on the effective date and transition agree with the IASB's proposal to require an entity to apply the amendments at the same time, and on the same basis, as it applies IFRS 18.
17. Agenda Paper 12F provides further information about the feedback.

Summary of outreach activities

18. During the comment period, we obtained feedback from some of the IASB's consultative groups—specifically, we met with the Accounting Standards Advisory Forum (ASAF) and the Financial Instruments Consultative Group (FICG). Our [project page](#) includes links to these meetings, including meeting summaries where applicable.
19. The purpose of these meetings was to explain, respond to questions on and discuss preliminary feedback on the proposals in the Exposure Draft. The preliminary feedback discussed in these outreach meetings is generally consistent with the overall feedback in the comment letters. Appendix C to Agenda Paper 12F includes a summary of feedback from these meetings.

Appendix A—How we describe feedback in the comment letters

Quantifying feedback

- A1. The papers for this meeting use the following terms to describe the extent of feedback:

Term	Extent of response among respondents
Almost all	all except a very small minority
Most	a large majority, with more than a few exceptions
Many	a small majority or large minority
Some	a small minority, but more than a few
A few	a very small minority

- A2. The IASB received feedback on all aspects of the Exposure Draft. However, not all respondents commented on all aspects of the Exposure Draft. When using the terms described in paragraph A1 to quantify respondents’ comments on a topic, these terms are, unless otherwise stated, defined by reference to the number of respondents who commented on that topic. For example, if we say that ‘most’ respondents commented on an aspect of a proposal, we mean ‘most’ of the respondents that *specifically commented* on that particular proposal.

Identifying patterns in stakeholder types and geographies

- A3. In describing feedback from respondents, we have identified instances in which we received different messages from specific stakeholder types or from specific geographic regions. If we have not identified the feedback as coming from particular stakeholder types or geographies, that means we received similar feedback from different stakeholders types or geographies or there was no clearly identifiable pattern in the feedback.

- A4. For simplicity, we refer to accounting firms and bodies as ‘accountants’, national standard-setters as ‘standard-setters’, and users of financial statements as ‘users’ in the papers for this meeting.

Individual comments and drafting suggestions

- A5. The papers for this meeting provide a high-level summary of feedback on the Exposure Draft and therefore focus on the main themes and messages coming out of the feedback. Therefore, these papers do not include all specific drafting suggestions or individual comments from respondents.