IFRS

STAFF PAPER

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IASB® meeting

Project	Equity Method	
Paper topic	Identifying the principles in IAS 28 *Investments in Associates and Joint Ventures*	
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Purpose of this paper

1. The purpose of this paper is to discuss the principles identified in the analysis of IAS 28 *Investments in Associates and Joint Ventures*. The International Accounting Standards Board (Board) is not asked to make any decisions, the views of the Board members are sought on:

    (a) the principles identified; and

    (b) the suggested approach when a principle to address the question has not been identified (missing principles).

Background

2. At its October 2020 meeting, the Board approved the approach to the Equity Method research project. The Board decided that the objective of the Equity Method research project is:

> To assess whether application questions with the equity method, as set out in IAS 28 *Investments in Associates and Joint Ventures*, can be addressed in consolidated and individual financial statements by identifying and explaining principles in IAS 28.[1]

3. The Board decided that to achieve the objective, it would apply the following approach:

   (a) identify application questions and decide which of these questions to address; and

   (b) address the application questions by identifying and explaining the principles in IAS 28. This would allow the Board to develop new requirements, (or application guidance) which will amend the Standard.

4. The project approach focuses on resolving application question on the equity method. When the Board discussed the approach to the project the staff recommended the Board did not undertake a fundamental review of the equity method.[1] Consequently, this agenda paper does not discuss, for example, when to apply the equity method or if the equity method is a one-line consolidation method or a measurement method.

5. As noted in prior meetings, the staff considers the selection of application questions to be an iterative process. The staff plans to highlight to the Board at a future meeting application questions that fall outside the approved scope of the project so that the Board is aware of them. The Board may then consider whether these questions warrant extending the scope of the project.

[1] October 2020 IASB Board meeting AP13: Project objective and approach (ifrs.org)

Structure of this paper

6. This paper is structured as follows:

   (a) the role of the principles (paragraphs 8–13);

   (b) how the principles have been identified (paragraphs 14–16);

   (c) description of the principles (paragraphs 17–63);

   (d) missing principles (paragraphs 64–66);

   (e) questions for the Board; and

   (f) Appendix — Summary of principles set out in the paper.

7. To assist Board members in understanding the principles, the following information is provided:

   (a) What the principle addresses. Each principle addresses how an entity applies the equity method in specific circumstances–for example measurement at initial recognition of the associate or joint venture.

   (b) How the principle has been identified. The requirements in IAS 28 or other IFRS Standards from which the principle has been derived are identified.

   (c) Examples of application questions related to the principle.

The role of the principles

8. The objective of identifying the principles is to provide the Board with a toolbox that can help the Board to address the selected application questions. The principles themselves will not address the application questions. The staff anticipates the principles will enable the Board to address application questions and thereby identify possible amendments to IAS 28.

9. At this stage of the project it is not suggested that the principles are incorporated into the Standard’s text, if the Board decides to propose amendments to IAS 28. The principles may be discussed in a forthcoming consultation paper, for example in the Basis for Conclusions to an exposure draft.

10. The agenda paper does not include all the principles identified in IAS 28; it sets out those principles that relate to the objective of the Equity Method research project.

11. It is possible that the Board will have to give prominence to some principles and not others, in addressing the application questions.

Terminology

12. This paper uses the following terms:

    (a) **Cost of the associate or joint venture—**fair value at the date significant influence or joint control is obtained of the financial instruments that give current access to the identifiable net assets of the associate or joint venture.

    (b) **Net interest in the associate or joint venture—**cost adjusted for post-acquisition changes in net assets and impairment.

    (c) **Gross interest in the associate or joint venture—**net interest in the associate or joint venture plus long-term interests (see paragraph 49(a) below in this paper).

13. These terms are not defined in IAS 28 but are used in this paper to assist discussion of the principles. Any new or amendments to the definitions in IAS 28 will be discussed at a future Board meeting.

How the principles have been identified

Process for identifying the principles

14. The staff identified the principles set out in this paper by reviewing the Standard's requirements, as well as the relevant paragraphs in its Basis for Conclusions. The staff then grouped the requirements in IAS 28 by topic. For each group of requirements, the staff identified its underlying principle. To formulate some of the principles the staff also had to consider the *Conceptual Framework for Financial Reporting* (*Conceptual Framework*) and the requirements in other IFRS Standards.

15. Having completed the analysis, the staff has identified missing principles, that is circumstances that IAS 28 does not currently address. Board members' views are sought on whether, and if so how, to develop missing principles.

16. Furthermore, the analysis in this paper does not assess whether the principles are consistent. Some stakeholders have commented that the requirements in IAS 28 are based on inconsistent perspectives on the nature and purpose of the equity method. The Board may need to address this matter later in the project.

Description of the principles

Principle A — power to participate is an investor's shared power to affect changes in, and to access net assets

What the principle addresses

17. Principle A addresses classification of an investment in an associate. When an entity acquires a non-controlling interest in an investee, the entity needs to determine if it has significant influence.

18. The classification of an investee is outside the project's scope. Consequently, this principle is not discussed further in this paper.

Principle B — application of the equity method includes an investor's share in the associate's or joint venture's net asset changes in an investor's statement of financial position

What the principle addresses

19. Principle B addresses an investor's interest in an associate or joint venture and has consequences for the boundary of the reporting entity. Paragraph 3.14 of the *Conceptual Framework* states that determining the boundary of the reporting entity is driven by the information needs of the primary users of the reporting entity's financial statements.

20. By addressing the boundary of the reporting entity, the principle helps explain why:

    (a) an investor recognises its share of the investee's net assets; and

    (b) accounting policies need to be consistent between the investor and investee.

How the principle has been identified

21. Principle B has primarily been identified from:

    (a) Paragraph 3 of IAS 28 which defines the equity method as a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

    (b) Paragraph 10 of IAS 28 which requires an investor to increase or decrease the carrying amount of the investment in an associate to recognise the investor's share of profit or loss of the investee after the date of acquisition, as well as the changes in the investor's proportionate interest arising from changes in the investee's other comprehensive income. Distributions received are deducted from the carrying amount of the investment.

    (c) Paragraph 11 of IAS 28 which states:

    > The recognition of income on the basis of distributions received may not be an adequate measure of the income earned by an investor on an investment in an associate or joint venture because the distributions received may bear little relation to the performance of the associate or joint venture. Because the investor has joint control of, or significant influence over, the investee, the investor has an interest in the associate's or joint venture's performance and, as a result, the return on its investment. The investor accounts for this interest by extending the scope of its financial statements to include its share of the profit or loss of such an investee.

    (d) Paragraph 35 of IAS 28 which requires an investor to make the associate's accounting policies conform to those of the investor.

22. Grouping these paragraphs, the staff identified that the boundary of the reporting entity includes the investor's share of the investee's net asset changes.

Net assets changes

23. It is important to note that principle C and other principles in this paper refer to 'net assets changes' rather than to 'profit or loss' or 'comprehensive income' because paragraph 3 of

IAS 28 defines the equity method and states that the investor should include in its financial position its share of the investee’s post-acquisition net asset changes.

24. IAS 28 is not always consistent when referring to the investor’s share of net assets; for example, paragraph 10 refers to the investor’s share of the investee’s profit or loss as well as the changes in investor’s proportionate interest arising from changes in the investee’s other comprehensive income. IAS 28 is not always clear where to report the investor’s share of the investee’s net asset changes— profit or loss, other comprehensive income or equity.

25. In November 2012, the Board published the Exposure Draft *Equity Method: Share of Other Net Asset Changes*. The Exposure Draft proposed that an investor should recognise in the investor’s equity its share of the changes in the net assets of the investee that are not recognised in profit or loss or other comprehensive income of the investee, and that are not distributions received. Following feedback on the Exposure Draft the Board did not reach agreement and thereby the proposals in the Exposure Draft were not finalised.

Examples of application questions

26. Application questions related to principle B include:

    (a) where should an investor report its share of changes in the investee’s net assets that are not recognised in profit or loss or other comprehensive income of the investee, and that are not distributions received; and

    (b) application of paragraph 35 of IAS 28 when there are regulatory restrictions on the use of an associate’s financial information or an investor does not have sufficient details to align the associate’s accounting policies.

Principle C —an investor's share of an associate’s or joint venture’s net assets is part of the reporting entity

What the principle addresses

27. Principle C also addresses the boundary of the reporting entity. By identifying that the investor’s share of the associate’s net assets is part of the reporting entity, the principle focuses on the accounting for transactions that occur between an investor and an associate.

28. Principle C should help develop requirements for if, and how, an investee adjusts its share of the gain or loss on transactions between the investor and the associate.

How the principle has been identified

29. Compared to other principles in this paper, principle C applies to a specific aspect of the application of the equity method which is touched only briefly in IAS 28.

30. Principle C has been derived from paragraph 28 of IAS 28 which states gains and losses resulting from “upstream” and “downstream” transactions between an entity and its associate are recognised in the [investor’s] financial statements only to the extent of unrelated investors’ interests in the associate. Paragraph 28 requires that for the purpose of determining an investor’s share of profit or loss, the investor excludes the portion of gain or loss arising from its own share in the associate.

31. The staff has considered if the principle C could be perceived as being inconsistent with the definition of the group as defined in Appendix A to IFRS 10 *Consolidated Financial Statements.*[2] IFRS 10 defines a ‘group’ as ‘a parent and its subsidiaries’. Principle C states that the reporting entity is extended to include the investor’s share of the associate’s or joint venture’s net assets —that is the group is extended to include the investor’s share of the associate’s or joint venture’s net assets. Consequently, the staff does not consider there is an inconsistency. Furthermore, the staff believes principle C correctly represents the requirements in paragraph 28 of IAS 28.

Examples of application questions

32. Application questions related to principle C include:

    (a) the treatment of reciprocal interests, or cross-holdings. These occur when an associate or joint venturer owns an interest in an investor, or another associate. The application question concerns how the investor should determine its own and the other investors’ interests in the associate; and

    (b) the accounting for the elimination of the portion of an investor’s gain that exceeds the carrying amount of the net interest in the associate or joint venture.

[2] IFRS 10 *Consolidated Financial Statements* defines consolidated financial statements as the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. IFRS 10 further defines the group as a parent and its subsidiaries.

Principle D — fair value at the date that significant influence or joint control is obtained provides the most relevant information and faithful representation of an associate's or joint venture's identifiable net assets

What the principle addresses

33. Principle D addresses measurement on initial recognition of the investment in an associate or joint venture. When an investor obtains significant influence over an associate or joint control over a joint venture and initially recognises its investment applying the equity method, this principle helps explaining how to:

(a) measure the investor's share of the investee's net assets: and

(b) account for any difference between the investor's share of the investee's net assets and the cost of the investment.

How the principle has been identified

34. Principle D has been derived primarily from the following paragraphs:

(a) Paragraph 32 of IAS 28 that requires at the date significant influence or joint control is obtained, the investor determines its share of the net fair value of the investee's identifiable assets and liabilities.

(b) Paragraph 32 of IAS 28 also states that any difference between the investor's share in the net fair value of the investee's identifiable assets and liabilities, and the cost of the investment is recognised as goodwill or income

(c) Paragraph BC25 of the Basis for Conclusion of IFRS 3 *Business Combinations* explains that applying fair value measurement means that users of financial statements are better able to assess the initial investments made and the subsequent performance of those investments and compare them with the performance of other entities. In addition, by initially recognising almost all of the assets acquired and liabilities assumed at their fair values, the acquisition method includes in the financial statements more information about the market's expectation of the value of the future cash flows associated with those assets and liabilities, which enhances the relevance of that information.

(d) Paragraph BC198 of the Basis for Conclusion of IFRS 3 adds that:

> … fair value is the most relevant attribute for assets acquired and liabilities assumed in a business combination. Measurement at fair value also provides information that is more comparable and understandable than measurement at cost or on the basis of allocating the total cost of an acquisition.

Cost of the associate or joint venture

35. IAS 28 does not define the cost of the associate or joint venture. As noted in paragraph 12 above, for the purpose of this paper the cost of an associate or joint venture is defined as the fair value at the date significant influence or joint control is obtained of the financial instruments that give current access to the identifiable net assets of the associate or joint venture.

36. IFRS 3 requires measuring the consideration transferred in a business combination as the sum of the acquisition date fair values of the assets transferred, liabilities incurred by the acquirer to the former owners of the acquiree and the equity instruments issued by the acquirer. Other Standards, such as IAS 16 *Property, Plant and Equipment* and *IAS 40 Investment Property* refer to cost as the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of acquisition or construction.

37. In January 2019 the IFRS Interpretations Committee (Committee) issued an agenda decision *Investment in a subsidiary accounted for at cost: Step acquisition.* The submission asked whether in its separate financial statements, the entity determines the cost of its investment in the subsidiary as the sum of:

    (a) the fair value of the initial interest at the date of obtaining control of the subsidiary, plus the consideration paid for the additional interest (fair value as deemed cost approach); or

    (b) the consideration paid for the initial interest (original consideration), plus the consideration paid for the additional interest (accumulated cost approach).

38. The Committee concluded that a reasonable reading of the requirements in IFRS Standards could result in the application of either of the two approaches.

39. The staff thinks there is a need to discuss with the Board, at a future date, the definition of the cost of the associate or joint venture.

Examples of application questions

40. Application questions related to principle D include:

    (a) the measurement of the cost of an associate or joint venture in a step acquisition;

    (b) whether the differences between the fair value of an associate's identifiable assets and liabilities and their tax bases in the associate's financial statements give rise to temporary differences in accordance with IAS 12 *Income Taxes*; and

    (c) whether any goodwill recognised in an investee's financial statements is part of the investee's identifiable assets. This inclusion would not affect the initial measurement of the interest, but it may affect the subsequent measurement if the investee subsequently disposes of the business that the goodwill is associated with or impairs the goodwill.

Principle E — an investor recognises changes in an associate's or joint venture's net assets. An investor recognises the share of changes in net assets that it can currently access

What the principle addresses

41. Principle E addresses the subsequent measurement of the associate or joint venture, and how to determine the amount of the investor's share of changes in an associate's or joint venture's net assets.

42. Principle E also helps explain why the investor's share of the investee's net assets is measured at the same reporting date (even if there are non-coterminous reporting periods).

How the principle has been identified

43. Principle E has been derived primarily from the following paragraphs:

    (a) Paragraph 12 of IAS 28 that states an investor's interest in an associate is determined solely on the basis of existing ownership interests and does not reflect the possible exercise or conversion of potential voting rights.

    (b) Paragraph 13 of IAS 28 that states in some circumstances, an entity has, in substance, an existing ownership as a result of a transaction that currently gives it access to the returns associated with ownership interest. In such circumstances, the proportion allocated to the entity is determined by taking into account the eventual exercise of those potential voting rights and other derivative instruments that currently give the entity access to the returns.

(c) Paragraph 34 of IAS 28 that requires an investor to adjust for the effects of significant transactions or events that occur between the date of the financial statements of the associate and the date of the entity's financial statements, when the two dates are different.

44. The above paragraphs help explain that the conditions at the reporting date are those that determine the investor's share of the changes in the investee's net assets. The investor's share is based on the investor's access to the investee's net assets at the reporting date.

Assessment of what constitutes current access

45. The staff understands that the current practice considers the following factors when an investor determines its share of changes in the investee's net assets:

(a) the type of benefits the instruments grant to the holder;

(b) the exercise price formula;

(c) whether the instruments can be immediately exercised; and

(d) whether there are limitations to the distribution of dividends or reserves before the instruments are exercised.

Examples of application questions

46. Application questions related to principle E include:

(a) the factors an investor considers when determining the amount of its share of changes in the investee's net assets;

(b) how to determine the investor's share of net asset changes if financial instruments provide different access to the investee's returns over the life of the investee or at liquidation; and

(c) the application of paragraph 34 of IAS 28 when the investor does not have access to the investee's financial information in a timely manner.

Principle F — an investor's maximum exposure is the gross interest in an associate or joint venture

What the principle addresses

47. Principle F addresses the recognition of an investor's share of the investee's losses and impairment of the gross interest in the associate or joint venture.

48. An interest in an associate can include equity or debt instruments, trade receivables and other forms of involvement such as credit enhancement and guarantees. Principle F helps explain which components of an interest are relevant when the investor:

    (a) assesses if an impairment loss has occurred;

    (b) recognises its share of the associate's or joint venture's losses or impairment losses; and

    (c) determines if and how to recognise its share of the associate's or joint venture's subsequent negative changes in net assets, after the gross interest in the associate or joint venture has been reduced to nil.

How the principle has been identified

49. Principle F has been derived primarily from the following paragraphs:

    (a) Paragraph 38 of IAS 28 that states if the interest in the associate or joint venture is reduced to zero, an investor discontinues recognising its share of further losses. The interest is the carrying amount of the investment in the associate or joint venture determined applying the equity method together with any long-term interests that, in substance, form part of the entity's net investment in the associate or joint venture.

    (b) Paragraph 39 of IAS 28 that states after the carrying amount of the interest is reduced to zero, an investor recognises a liability only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the investor resumes recognising its share only after it equals the amount of the share of losses that the investor did not recognise.

(c) Paragraph 41A of IAS 28 uses the same unit of account for the purpose of assessing and determining an impairment loss (after long-term interests have been tested for impairment in accordance with IFRS 9 *Financial Instruments).*

50. By grouping these paragraphs, the staff concluded that for the purpose of recognising losses and recognising impairment losses, the investor considers the instruments to which the equity method is applied in combination with the long-term interests. No additional losses are recognised unless the investor has incurred a liability in accordance with other IFRS Standards.

Examples of application questions

51. Application questions related to principle F include when an investor has stopped recognising its share of losses and:

(a) the investor purchases an additional interest in the associate or joint venture;

(b) the associate or joint venture subsequently reports a loss and a positive change in other comprehensive income in the same period (or the other way around); and

(c) the investor realises a gain in a "downstream" transaction with the associate or joint venture.

Principle G — when an investor has a decrease in its ownership interest in an associate or joint venture and continues to apply the equity method, it reclassifies amounts previously recognised in other comprehensive income

What the principle addresses

52. Principle G addresses the accounting for decreases in an investor's share of ownership in the associate or joint venture that do not result in the loss of significant influence or joint control. Decreases may occur because of transactions between the investor and the associate or third parties, or transactions that do not involve the investor, such as redemption of other shareholders' shares.

53. Principle G should assist in establishing requirements for when the investor's share of ownership decreases:

(a) how to recognise any difference between the consideration received and the decrease in the investor's share of the investee's net assets;

(b) how to recognise the change in the share of the investee's net assets before and after the transaction, when the transaction does not involve the investor; and

(c) whether the investor transfers amounts previously recognised in other comprehensive income to profit or loss.

How the principle has been identified

54. This principle has been derived from paragraph 25 of IAS 28 which applies to all circumstances in which an investor's ownership interest is reduced without the investor losing significant influence or joint control. It states that the investor reclassifies to profit or loss amounts previously recognised in other comprehensive income as if the investor had disposed of the related assets or liabilities, proportionately to the reduction its ownership interest.

55. The investor continues applying the equity method to the retained interest. The same applies if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate as stated in paragraph 24 of IAS 28.

56. Gains or losses from disposals are recognised in profit or loss. In this context, an entity may dispose or partially dispose of its interest through sale, liquidation, repayment of share capital or abandonment of all, or part of, its investment.

57. IAS 28 does not provide requirement on how to recognise dilution gains or losses (that is, negative or positive changes in the investor's share of net asset before or after the transaction) in profit or loss.

Examples of application questions

58. An application question related to principle G is the treatment of dilution gains or losses.

Principle H — an investor:

(a) applies IFRS 3 and IFRS 10 if it obtains control of an associate or joint venture;

(b) applies IFRS 9 if it no longer has significant influence or joint control but retains an interest in a former associate or joint venture; and

(c) recognises a gain or loss and reclassifies amounts recognised in other comprehensive income on the date that significant influence or joint control is lost.

What the principle addresses

59. Principle H addresses the accounting for transactions and events that lead to discontinuance of the equity method. Discontinuance of the equity method occurs when an investor either acquires control or loses significant influence or joint control in the associate or joint venture. This principle should help explain:

(a) how to account for any difference between the consideration received (or transferred), and the share of the investee's net assets transferred (or received);

(b) how to measure the investment retained in the former associate or joint venture; and

(c) whether the investor transfers amounts previously recognised in other comprehensive income to profit or loss.

How the principle has been identified

60. Principle H has been derived primarily from the following paragraphs:

(a) Paragraph 22 of IAS 28 applies to all circumstances in which an investor loses significant influence or joint control, regardless of the nature of the transaction or event. It states that the investor:

(i) remeasures any retained interest at fair value;

(ii) recognises in profit or loss any difference between:

1. the sum of any consideration received and the fair value of the retained interest; and

2. the carrying amount of the investment;

(iii) transfers to profit or loss amounts previously recognised in other comprehensive income as if the investor had directly disposed of the related assets or liabilities.

(b) Paragraph 42 of IFRS 3 applies to a transaction or event in which the investor acquires control of the former associate. The investor:

(i) remeasures the previously held interest at its acquisition-date fair value and recognises the resulting gain or loss; and

(ii) transfers amounts previously recognised in other comprehensive income on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

61. Paragraph BC384 of IFRS 3 states that, when acquiring control, the remeasurement of the previously held interest reflects that a change from holding a non-controlling investment to obtaining control of an entity is a significant change in the nature of and economic circumstances surrounding that investment.

62. Paragraph BC28 of IAS 28 states that, when losing significant influence or joint control, the remeasurement of the retained interest in a former associate or joint venture is independent of whether the event is considered a significant economic event, since fair value is the measurement basis for any retained interest that is a financial asset in accordance with IFRS 9.

Examples of application questions

63. No application questions that relate to principle H have been identified.

Missing principles

64. After completing the analysis of the requirements in IAS 28, the staff's view is that there are missing principles. That is, some application questions cannot be addressed by the principles identified in this paper. The staff therefore plans to develop missing principles for a future paper.

65. The staff has noted the following areas for which IAS 28 does not address application questions:

    (a) the investor's accounting for the share in the investee's other net asset changes; and

    (b) purchases or other increases in the investor's ownership share that do not result in obtaining control of the investee.

66. The staff suggests that the missing principles (as needed to address application questions) could be developed by analogy to existing principles identified in this paper with the judgment as required when developing an accounting policy applying IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, that is considering the applicability of the requirements in IFRS Standards dealing with similar and related issues and the definitions, recognition criteria and measurement concepts in the *Conceptual Framework*.

Questions for the Board

Questions for Board members	
1	Do Board members have comments on the principles identified in this agenda paper?
2	Do Board members consider there are other principles in IAS 28 that have been excluded from this agenda paper that are relevant to the scope of the project?
3	Do Board members agree with the staff's suggestion for developing missing principles?

	Principles Identified	Paragraph
Classification		
A	Power to participate is an investor's shared power to affect changes in, and to access net assets.	IAS 28.3 *Definition* IAS 28.5-9 IAS 28.12–14
Boundary of the reporting entity		
B	Application of the equity method includes an investor's share in the associate's or joint venture's net asset changes in an investor's statement of financial position.	IAS 28.3 *Definition* IAS 28.10-11 IAS 28.35
C	An investor's share of an associate's or joint venture's net assets is part of the reporting entity.	IAS 28.28
Measurement on initial recognition		
D	Fair value at the date that significant influence or joint control is obtained provides the most relevant information and faithful representation of an associate's or joint venture's identifiable net assets.	IAS 28.30–31B IAS 28.32 IFRS 3 BC25/198
Subsequent measurement		
E	An investor recognises changes in an associate's or joint venture's net assets. An investor recognises the share of changes in net assets that it can currently access.	IAS 28.3 *Definition* IAS 28.10–13 IAS 28.26 IAS 28.28 IAS 28.30–31B IAS 28.33–36 (includes 35) IAS 28.37
F	An investor's maximum exposure is the gross interest in an associate or joint venture.	IAS 28.14A/29/38–43
G	When an investor has a decrease in its ownership interest in an associate or joint venture and continues to apply the equity method, it reclassifies amounts previously recognised in other comprehensive income.	IAS 28.24–25

Derecognition		
H	An investor: (a) applies IFRS 3 and IFRS 10 if it obtains control of an associate or joint venture; (b) applies IFRS 9 if it no longer has significant influence or joint control but retains an interest in a former associate or joint venture; and (c) recognises a gain or loss and reclassifies amounts recognised in other comprehensive income on the date that significant influence or joint control is lost.	IAS 28.22–23 IFRS 3.41–42
Unallocated (not being addressed in the project)		
Presentation		IAS 28.15/20–21
Exceptions to the application of the equity method		IAS 28.16–19 IAS 28.27 IAS 28.36A