



AMENDMENTS TO THE FAIR VALUE OPTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES: PROPOSED AMENDMENTS TO IAS 28

Issued 20 April 2026

ICAEW welcomes the opportunity to comment on the Exposure Draft: Amendments to the fair value option for investments in associates and joint ventures: Proposed amendments to IAS 28, published by the International Accounting Standards Board (IASB) on 19 February 2026, a copy of which is available from this [link](#).

We support the proposed amendments clarifying which entities may elect to measure investments in associates or joint ventures at fair value through profit or loss.

Although outside the scope of the Exposure Draft, we continue to have concerns about the usefulness of the equity method. We would therefore support a wider review of IAS 28 and the equity method, including gathering evidence on whether an unrestricted fair value option should be introduced for all entities.

ICAEW

Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK
T +44 (0)20 7920 8100 F +44 (0)20 7920 0547 icaew.com

The Institute of Chartered Accountants in England and Wales (ICAEW) incorporated by Royal Charter (RC000246)
Registered office: Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

This response of 20 April 2026 has been prepared by the ICAEW Financial Services Faculty. As a leading centre for thought leadership on financial services, the faculty brings together different interests and is responsible for representations on behalf of ICAEW on governance, regulation, risk, auditing and reporting issues facing the financial services sector. The faculty draws on the expertise of its members and more than 25,000 ICAEW members involved in financial services.

ICAEW is a world-leading professional body established under a Royal Charter to serve the public interest. In pursuit of its vision of a world of sustainable economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 210,000 members and students around the world. 98 of the top 100 global brands employ ICAEW Chartered Accountants. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

© ICAEW 2026

All rights reserved.

This document may be reproduced without specific permission, in whole or part, free of charge and in any format or medium, subject to the conditions that:

- it is appropriately attributed, replicated accurately and is not used in a misleading context;
- the source of the extract or document is acknowledged and the title and ICAEW reference number are quoted.

Where third-party copyright material has been identified application for permission must be made to the copyright holder.

For more information, please contact: Financial Services – fsf@icaew.com

ANSWERS TO SPECIFIC QUESTIONS

Question 1: Proposed amendments to paragraphs 18–19 of IAS 28

Paragraphs 18–19 of IAS 28 permit an entity 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 *Financial Instruments* if the investment is held by a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds.

The IASB is proposing to amend paragraphs 18–19 of IAS 28 to clarify that similar entities include those that have a main business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18).

Paragraphs BC1–BC19 of the Basis for Conclusions explain the IASB’s rationale for this proposal. In particular, paragraphs BC9–BC13 explain why the IASB decided not to propose extending the fair value option to all entities.

Do you agree with this proposal? Why or why not? If you disagree, please explain what you would suggest instead and why.

1. We strongly support the proposed amendments to clarify which entities may elect to measure an investment in an associate or a joint venture at fair value through profit or loss under IFRS 9 *Financial Instruments*. This is a practical and timely solution that addresses the current lack of clarity in the definition and resulting diversity in practice.
2. With respect to scope, we note from the Basis for Conclusions that the intention of the amendment is to ensure that entities in the insurance industry are clearly within scope of the fair value option. However, in our view, the proposed wording in paragraph 18 of the Exposure Draft can be interpreted to extend beyond insurers. If this is not the IASB’s intention, we recommend careful consideration of the proposed drafting to ensure this scope is appropriately defined and does not give rise to unintended consequences.
3. For clarity, we recommend that the IASB considers explaining in the Basis for Conclusions that the inclusion of the reference to IFRS 18 *Presentation and Disclosure in Financial Statements* in paragraph 18 of the Exposure Draft is intended as a targeted clarification to facilitate transition to IFRS 18, rather than a long-term solution.
4. We understand the reasons set out in the Basis for Conclusions for not proposing an extension of the fair value option to all entities at this stage and accept that further time is needed to gather evidence on introducing an unrestricted fair value option in IAS 28 *Investments in Associates and Joint Ventures*. We would strongly support the IASB undertaking the work to consider introducing such an unrestricted option, as a precursor to a wider, more fundamental review of IAS 28 and the equity method. Our committee members have highlighted that the concepts underpinning the equity method are often unclear and we are aware that some stakeholders question the usefulness of the information it produces. These concerns were reflected in our 2025 [response](#) to the IASB’s *Exposure Draft on the Equity Method of Accounting*.

Question 2: Effective date and transition

The IASB proposes that an entity apply the amendments to paragraphs 18–19 of IAS 28 at the same time and on the same basis as it applies IFRS 18.

Paragraphs BC20–BC21 of the Basis for Conclusions explain the IASB’s rationale for this proposal.

Do you agree with this proposal? Why or why not? If you disagree, please explain what you would suggest instead and why.

5. We strongly support the proposal for an entity to apply the amendments at the same time and on the same basis as it applies IFRS 18 *Presentation and Disclosure in Financial Statements*.