



FEDERATION OF ACCOUNTING PROFESSIONS
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

April 07, 2026

Mr. Muhamed Imran Khan
AOSSG Chair Secretariat Accounting Standards Board
The Institute of Chartered Accountants of Pakistan,
Chartered Accountants Avenue,
Block 8 Clifton,
Karachi-75600

Dear Mr. Muhamed Imran Khan,

Response on IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)

The Federation of Accounting Professions would like to show our appreciation on the opportunity to respond on **IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)**. Overall, we agree with the changes of this standard as well as provide some suggestions on such amendment.

Please find our responses to the specific survey raised in **IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)** in an attachment. We believe that these responses will help the practitioners in the future and that our response will contribute positively to the IASB's due process. Should you need more information, please kindly contact the Federation of Accounting Professions.

The Federation of Accounting Professions avails itself of this opportunity to the International Accounting Standards Board the assurances of its highest consideration.

Yours sincerely,

Associate Professor Dr. Vorasak Toommanon
Chairman of Thai Accounting Standards Board
Federation of Accounting Professions
Bangkok, Thailand



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April 07, 2026

Dr. Andreas Barckow
Chairman
International Accounting Standards Board (IASB)
Columbus Building
7 Westferry Circus, Canary Wharf,
London E14 4HD, United Kingdom

Dear Dr. Andreas Barckow

Response on IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)

The Federation of Accounting Professions would like to show our appreciation on the opportunity to respond on **Response on IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)**. Overall, we agree with the changes of this standard as well as provide some suggestions on such amendment.

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Associate Professor Dr. Vorasak Toommanon
Chairman of Thai Accounting Standards Board
Federation of Accounting Professions
Bangkok, Thailand



IFRS Accounting Standards Exposure Draft ED/2026 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Proposed amendments to IAS 28)

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.

TFAC:

We support the IASB’s proposal to remove the reference to “investment-linked insurance funds” and instead clarify that entities whose main business activity is investing in particular types of assets (as described in paragraph 49(a) of IFRS 18).

We believe the proposed amendments will improve clarity and enhance consistency in the application of IFRS 18.

We would like to additionally suggest that the IASB consider exploring the possibility of extending the fair value option to all entities. Allowing entities to elect fair value measurement—where it better reflects the economic substance of their investments—would not appear to create harmful outcomes for users and could enhance the relevance and transparency of financial information in certain circumstances.



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Furthermore, although paragraphs BC17–BC18 of the Exposure Draft note that reconsidering the irrevocable nature of the fair value option is beyond the scope of this project, TFAC observes that in practice, situations may arise in which an entity’s main business activities change, for example through M&A transactions or business restructurings. In such circumstances, permitting an entity to revoke its earlier election could result in financial reporting that more appropriately reflects the entity’s new business model, rather than inheriting an accounting policy choice that no longer aligns with the updated economic reality.



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.

TFAC:

We agree with the IASB’s proposal for the amendments to IAS 28 to become effective at the same time and on the same basis as IFRS 18. Aligning the effective dates supports consistency and reduces unnecessary complexity for financial statements for primary users and preparers.