

## Press release

16 September 2014

### **IASB publishes proposals for measuring quoted investments in subsidiaries, joint ventures and associates at fair value**

**The International Accounting Standards Board (IASB) today published for public comment an Exposure Draft detailing proposals concerning the measurement of investments in subsidiaries, joint ventures and associates at fair value when those investments are quoted in an active market.**

The proposed amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities*, IAS 27 *Separate Financial Statements*, IAS 28 *Investments in Associates and Joint Ventures* and IAS 36 *Impairment of Assets* aim to address questions received on:

- (a) the unit of account for investments in subsidiaries, joint ventures and associates and on the fair value measurement when those investments are quoted in an active market (quoted investments); and
- (b) the measurement of the recoverable amount of cash-generating units (CGUs) on the basis of fair value less costs of disposal when they correspond to entities that are quoted in an active market (quoted CGUs).

The proposed amendments clarify that an entity should measure the fair value of quoted investments and quoted CGUs as the product of the quoted price for the individual financial instruments that make up the investments held by the entity and the quantity of financial instruments.

The Exposure Draft also includes proposed amendments to the Illustrative Examples for IFRS 13 *Fair Value Measurement* to clarify questions received relating to the application of the exception in paragraph 48 of IFRS 13. The example illustrates the fair value measurement of an entity's net exposure to market risks arising from a group of financial assets and financial liabilities whose market risks are substantially the same and whose fair value measurement is categorised within Level 1 in the fair value hierarchy.

The proposals are open for public comment for 120 days. The Exposure Draft *Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value* (Proposed amendments to IFRS 10, IFRS 12, IAS 27, IAS 28 and IAS 36 and Illustrative Examples for IFRS 13) is available to download from [here](#).

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**About the International Accounting Standards Board**

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, public interest organisation. The IASB is committed to developing a single set of high quality, global accounting Standards that provide high quality, transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 14 full-time members drawn from 12 countries and a variety of professional backgrounds. Board members are appointed by, and accountable to, the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.