



3 October 2024

To: **Preparers, investors, practitioners and other interested parties**

Virtual Roundtable Discussion: 19 November 2024
IASB EXPOSURE DRAFT
Equity Method of Accounting
IAS 28 Investments in Associates and Joint Ventures (revised 202x)

The Hong Kong Institute of Certified Public Accountants invites you to a virtual roundtable to share your views on the International Accounting Standards Board (IASB) [Exposure Draft](#) (ED) *Equity Method of Accounting – IAS 28 Investments in Associates and Joint Ventures (revised 202x)*.

Background of the roundtable

IAS 28 sets out how entities report on investments in associates and joint ventures¹ applying the equity method. To respond to stakeholders' questions on how to apply the equity method, the IASB proposes amendments to IAS 28 to answer application questions the IASB has received over a number of years. The IASB is also proposing new disclosure requirements to enhance the information entities provide about these investments. The IASB expects the proposed amendments will reduce diversity in practice and provide users of financial statements with more comparable and useful information.

The proposed amendments mainly address the application questions about how an investor applies the equity method in the following aspects:

- Measurement of cost of an associate;
- Changes in an investor's ownership interest while retaining significant influence;
- Recognition of the investor's share of losses;
- Transactions with associates; and
- Impairment assessment of investment in an associate.

Why you should attend this roundtable

Investing in associates is a common practice in Hong Kong and the impact of such investments can be significant to the financial statements of entities that hold them. As the ED aims to address common challenges and issues associated with applying the equity method, it is expected that many entities in Hong Kong with investments in associates will likely be affected by the proposals. Furthermore, the ED may have implications for investors, analysts and other users of financial statements who rely on information related to investments in associates.

Representatives from the IASB will be joining the roundtable to take you through the ED. Join us in this virtual roundtable discussion to express your views. Your views are important to us in providing feedback to the IASB to improve the requirements in IAS 28.

Details of the virtual roundtable

Date: 19 November 2024
Time: 4:00 pm – 6:00 pm
Format: Zoom videoconferencing

To register, please click the [link](#) and reserve by **14 November 2024**.

If you cannot attend the roundtable but would like to provide your comments, please email us at commentletters@hkicpa.org.hk.

¹ For simplicity, references to 'investor', 'associate' and 'significant influence' should be read as also referring to 'joint venturer', 'joint venture' and 'joint control' in relation to investments in joint ventures.