



20 February 2026

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON THE IASB EXPOSURE DRAFT
Amendments to the Fair Value Option for Investments in Associates
and Joint Ventures (Proposed amendments to IAS 28)

Comments to be received by 16 March 2026

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the International Accounting Standards Board (IASB) Exposure Draft (ED) *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* (Proposed amendments to IAS 28 *Investments in Associates and Joint Ventures*). The ED is available on the Institute's [website](#).

Stakeholders informed the IASB of the diversity in how the fair value option in IAS 28 is applied and the effects of that diversity on the classification of income and expenses in the statement of profit or loss in accordance with IFRS 18 *Presentation and Disclosure in Financial Statements*. This issue has taken on increased importance as more companies are considering whether to elect that option as part of implementing IFRS 18.

In response to the stakeholders' feedback, the IASB is proposing narrow-scope amendments to paragraphs 18-19 of IAS 28 to clarify that an entity that has a main business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18) is eligible to elect the fair value option in IAS 28. The proposed amendments aim to improve consistency in application and provide timely clarity ahead of the effective date of IFRS 18.

Impact on entities in Hong Kong

The proposed amendments are expected to affect entities in Hong Kong whose main business activity is investing in assets, and which hold interests in associates or joint ventures as part of those activities. These entities primarily include insurance companies and may also include other entities that invest in assets as a main business activity, such as banks and asset management entities. The extent of impact is expected to vary depending on the significance of the investments in associates and joint ventures and the accounting policy choices made by individual entities.

The FRSC invites your comments on the ED by **16 March 2026** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.