UKEB
UK Endorsement Board

Invitation to Comment

Call for comments on Draft Endorsement Criteria Assessment of *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* (Amendments to IAS 28)

Deadline for completion of this Invitation to Comment:

Close of business, Tuesday 10 November 2026

Please submit to:

UKEndorsementBoard@endorsement-board.uk

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* (Amendments to IAS 28) (Amendments), published by the International Accounting Standards Board (IASB) in June 2026. The Amendments 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 *Presentation and Disclosure in Financial Statements*) are eligible to elect the fair value option in IAS 28 Investments in Associates and Joint Ventures.

At the date of initial application of IFRS 18, an entity eligible to apply paragraph 18 of IAS 28 is permitted to change its election for measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss in accordance with IFRS 9. If an entity makes such a change, the entity shall apply the change retrospectively applying IAS 8.

The information collected from this Invitation to Comment is intended to help with the endorsement assessment.

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UK endorsement and adoption process

The requirements for UK adoption are set out in Statutory Instrument 2019/685[1].

The powers to formally adopt international accounting standards for use in the UK were delegated to the UK Endorsement Board in May 2021[2].

Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts prepared in accordance with IFRS Accounting Standards.

How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return it to **UKEndorsementBoard@endorsement-board.uk** by close of business on Tuesday 10 November 2026.

Brief responses to individual questions are welcome, as well as comprehensive responses to all questions.

Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and adopting IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)[3].

The UKEB's policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published, please provide the UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the "Your Details" document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other response document submitted; therefore, only information that you wish to be published should be submitted in such responses.

1 The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: https://www.legislation.gov.uk/uksi/2019/685/made

2 The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021: https://www.legislation.gov.uk/uksi/2021/609/contents/made

3 These policies can be accessed from the footer in the UKEB website here: https://www.endorsement-board.uk

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Assessment against endorsement criteria

Our draft assessment [tentatively] concludes that:

- the Amendments meet the criteria of relevance, reliability, understandability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management, as required by SI 2019/685 (see Regulation 7(1)(c));
- application of the Amendments is not contrary to the principle that an entity's accounts must give a true and fair view as required by SI 2019/685 (see Regulation 7(1)(a)); and
- that the Amendments are likely to be conducive to the long term public good in the UK as required by SI 2019/685 (see Regulation 7(1)(b)), having considered:
    - whether they will generally improve the quality of financial reporting;
    - the costs and benefits that are likely to result from their use; and
    - whether they are likely to have an adverse effect on the economy of the UK, including on economic growth.

Our assessment of the Amendments is set out in **Tables 1–4** of the [Draft] Endorsement Criteria Assessment ([Draft] ECA).

Amendments	Page
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UK long term public good (including costs and benefits for preparers and users)	10–12

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Questions

Technical accounting criteria assessment

1. Do you agree with the draft assessment of the Amendments against the **technical accounting criteria**? Please select one option. Please explain why or why not.

Yes	☒	**No**	☐

We have no further comments.

True and fair view

2. Do you agree with the draft assessment that the Amendments **are not contrary to the true and fair view requirement**? Please select one option. Please explain why or why not.

Yes	☒	**No**	☐

We have no further comments.

UK long term public good

3. Do you agree with the initial overall assessment of **costs and benefits** likely to arise from the Amendments? Please select one option. Please explain why or why not.

Yes	☒	**No**	☐

We agree that the incremental cost of applying the fair value option at the date of initial application of IFRS 18 is unlikely to be significant.

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4. Do you agree with the draft assessment that the Amendments are likely to be conducive to the **long term public good in the UK**? Please select one option. Please explain why or why not.

Yes	☒	**No**	☐

We have no further comments.

5. Do you have **any other comments** you would like to add?

As per our response to the exposure draft, we were supportive of the UKEB's proposal to rationalise the scope paragraph of the fair value option in IAS 28 to make it concise and principles based. The IASB did not amend IAS 28 for this feedback, as it was concerned that the proposed changes would widen the scope of the project beyond a narrow scope amendment and there was insufficient time before IFRS 18 implementation to consult on more wide-ranging changes. In our view, although the principles-based approach proposed by the UKEB was not adopted, the final amendments to IAS 28 will still enable companies with the specified main business activity of investing in assets to apply the fair value option where relevant.

Impact on UK entities

6. Are you a preparer of financial statements that could be affected by the Amendments?

Yes	☒	**No**	☐

7. Are you aware of any UK entities that could be affected by the Amendments? If you have answered 'yes', which sector do these entities operate in?

Yes	☒	**No**	☐

We believe that the insurance industry could be affected by the amendments, as there is diversity in the interpretation of the current IAS 28 requirements. In particular, some preparers interpret the guidance in IAS 28 to mean that the fair value option can only be applied to joint ventures or associates that are held indirectly through a unit-linked or with-profits fund. The amendments clarify the guidance in IAS 28 by widening the scope to include all joint ventures and associates as long as they are held by or held indirectly

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through an entity that invests in assets as a main business activities, enabling insurers to elect the fair value option to avoid potential distortion of operating profit under IFRS 18.

8. In your opinion, is there a risk that the Amendments could inadvertently narrow the scope of IAS 28's fair value option among UK preparers? Please explain why or why not.

Yes	☐	**No**	☒

We are unaware of any scenarios where the amendments would narrow the scope of IAS 28's fair value option.

Response generation

9. Did you/your organisation use a large language model (e.g. Chat GPT, Microsoft Copilot) to create any part of your/its response (response to this Invitation to Comment or a comment letter you are submitting as part of your response)?

Yes	☐	**No**	☒

10. If you answered yes to the question above, please specify which model and what prompt(s) you used for the large language model.

N/A

Thank you for completing this Invitation to Comment

Please submit this document

by close of business on Tuesday 10 November 2026 to:

UKEndorsementBoard@endorsement-board.uk

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