

20 April 2026

Dr Andreas Barckow  
Chairman  
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**(By online submission)**

Dear Andreas

**RESPONSE TO EXPOSURE DRAFT ON AMENDMENTS TO THE FAIR VALUE OPTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

The Singapore Accounting Standards Committee (ASC), under the Accounting and Corporate Regulatory Authority (ACRA), welcomes the opportunity to comment on the Exposure Draft on *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* (the ED) issued by the International Accounting Standards Board (the IASB) in February 2026.

We appreciate the IASB's efforts in responding to stakeholder feedback about the inconsistent application of the fair value option under paragraphs 18–19 of IAS 28 *Investments in Associates and Joint Ventures* and its effects on income and expense classification under IFRS 18 *Presentation and Disclosure in Financial Statements*. The proposed amendments aim to provide timely clarity and reduce diversity in practice ahead of IFRS 18's effective date.

We are generally supportive of the proposals set out in the ED on the basis of the IASB's rationale but have specific comments on certain aspects. Our comments are outlined below.

**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.

### Unrestricted fair value option

We understand from paragraphs BC12–BC13 of the Basis of Conclusions for the ED (the BC) that amendments to provide an unrestricted fair value option in IAS 28 could not be completed in time for the change to be available to entities by IFRS 18’s effective date, and that if feedback on this ED indicates strong demand for an unrestricted fair value option in IAS 28 as an alternative to equity method accounting, the IASB will consider how to respond to that feedback in the context of its work plan priorities.

Through our outreach, we received strong feedback from our stakeholders supporting the exploration of an unrestricted fair value option, aligning with the Alternative View expressed by three IASB members in the ED. We view that there are merits in permitting all entities to apply the fair value option on initial recognition of investments in associates and joint ventures, which would lead to better financial reporting and provide more useful information to users of the financial statements. We are mindful of the urgent timeline presented in this ED and agree with the IASB to push through the proposed amendments in the ED first before revisiting this issue as a separate future IASB project.

### Revoking of fair value election

Paragraph BC18 of the BC states that the scope of this ED excludes whether or not to make the fair value option in IAS 28 revocable and that the irrevocable election is consistent with other instances in which entities can use a fair value option in IFRS Accounting Standards. We suggest the IASB considers providing additional clarification on how the irrevocable election interacts with changes in an entity’s status (for example, when an entity ceases to be an investment entity), and also IASB’s rationale for not revisiting the issue of irrevocability in this project, which would be helpful to support consistent application. Alternatively, the IASB could consider addressing the interaction between the irrevocable fair value election and changing business circumstances in future standard-setting activities, taking into account that such changes were also noted in some IFRS Accounting Standards.

### **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.

We agree with the IASB's proposal that the proposed amendments should be applied at the same time and on the same basis as IFRS 18 as the primary target for these amendments are insurance entities, which are likely to have the necessary fair value measurement capabilities and hence no justification for delaying IFRS 18 implementation timeline.

We hope that our comments will contribute to the IASB's deliberation on the ED. Should you require any further clarification, please contact our project managers Yat Hwa Guan at [Guan\\_Yat\\_Hwa@acra.gov.sg](mailto:Guan_Yat_Hwa@acra.gov.sg) and Zong Yang Lee at [Lee\\_Zong\\_Yang@acra.gov.sg](mailto:Lee_Zong_Yang@acra.gov.sg).

Yours sincerely

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Technical Director  
For and on behalf of Accounting Standards Committee  
Accounting and Corporate Regulatory Authority