

Mr. Andreas Barckow

**IASB Chair
IFRS Foundation**

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Levallois-Perret, 20 April 2026

Exposure Draft — Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

Dear Andreas,

Forvis Mazars welcomes the opportunity to comment on the above-mentioned amendments to IAS 28.

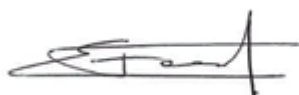
We welcome and support the Board's efforts to clarify in a timely manner, i.e. before the first-time application of IFRS 18, the instances where the fair value option in IAS 28 can be exercised.

Although we believe that the proposed amendments will enlarge the scope of the fair value option to an extent that was not envisaged by the Board, we support the proposal in the Exposure Draft and encourage the Board to complete this project without significant changes within the planned timeframe.

Our detailed comments to the questions raised in the Exposure Draft are set out in the Appendix.

Should you have any questions regarding our comments on the Tentative Agenda Decision, please do not hesitate to contact me (+33 6 62 99 57 81).

Yours sincerely,



Edouard Fossat

Corporate Financial Reporting

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.

Overall, we welcome the clarifications provided by the Board to better define the instances where an investor may elect to account for an investment in an associate or a joint venture at fair value through profit or loss.

We believe that some issuers, among which many insurers, need clarifications on the scope of the fair value option in IAS 28 before the first-time application of IFRS 18. Moreover, insurers expect that the amendments would allow their investments in associates and joint venture that relate to their insurance activities to be eligible to that fair value option, so that income and expenses from those investments would be classified in the operating category according to IFRS 18.

The draft amendments to paragraph 18 propose to state that the notion of “similar entities” holding investments in associates or joint ventures include those that have a main business activity of investing in particular types of assets.

We acknowledge that this wording is easily understandable, and that the amendments as drafted would:

- put an end to the debate as to whether an entity holding an investment in an associate or joint venture meets the definition of “a venture capital organisation, or a mutual fund, unit trust and similar entities”, and
- ease the use of the fair value option for insurance companies.

Nevertheless, we believe that the proposed amendments go beyond the Board's initial intention to clarify the meaning of "similar entities" without significantly widening the scope of the fair value option. Indeed, we understand that:

- the analysis of the existence of a specified main business activity of investing in particular types of assets is performed at the level of the entity holding the investment, rather than at group level, and
- there is no need that the investment in the associate or joint venture be made in the context of a main business activity of investing in particular types of assets identified at group level.

We believe that this creates structuring opportunities to allow for the fair value option for all entities. Indeed, a reporting entity without any SMBA of investing in particular types of assets would only need to create an intermediate holding company with the sole objective of bearing the investments in the associates and joint ventures to make the investments eligible for the fair value option.

This said, and considering that this project needs to be completed shortly and that we do not expect issuers that do not have a specified main business activity of investing in particular types of assets to implement structuring to account for their investments at FVTPL, we support the Board's proposal to amend paragraph 18 as drafted in the ED.

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 Board's proposal.