

PRESS RELEASE

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IASB publishes Exposure Draft *Investment Entities—Applying the Consolidation Exception* (Proposed amendments to IFRS 10 and IAS 28)

The International Accounting Standards Board (IASB) today published for public comment the Exposure Draft *Investment Entities—Applying the Consolidation Exception* (Proposed amendments to IFRS 10 and IAS 28).

The proposed amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* are designed to clarify three issues about the application of the requirement for investment entities to measure subsidiaries at fair value instead of consolidating them. The proposed amendments:

- confirm that the exemption from presenting consolidated financial statements continues to apply to subsidiaries of an investment entity that are themselves parent entities;
- clarify when an investment entity parent should consolidate a subsidiary that provides investment-related services instead of measuring that subsidiary at fair value; and
- simplify the application of the equity method for an entity that is not itself an investment entity but that has an interest in an associate that is an investment entity.

The issues originated from submissions to the IFRS Interpretations Committee, which recommended that the IASB should amend the Standards to clarify the requirements in order to reduce the risk of diversity developing in practice.

The proposals are open for public comment for 96 days. This is shorter than the normal comment period, reflecting the 1 January 2014 effective date of the original requirements in IFRS 10 for investment entities. The Exposure Draft is available to download from [here](#).

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About the IASB

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting Standards that provide high quality, transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 16 full-time members drawn from 11 countries and a variety of professional backgrounds. Board members are appointed by, and accountable to, the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.