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Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) Cover note

Objective of the session

- 1 The objective of this session is to discuss and approve EFRAG's draft endorsement advice on *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)* ('the Amendments').

Background

- 2 On 12 October 2017, the IASB issued the Amendments, which were initially included in the Exposure Draft ED/2017/1 *Annual Improvements to IFRS Standards 2015-2017 Cycle*, issued on 12 January 2017. EFRAG issued its comment letter on 19 April 2017. The Amendments become effective for annual periods beginning on or after 1 January 2019 with earlier application permitted.
- 3 EFRAG TEG discussed the draft endorsement advice at its meeting on 25 October 2017 and at its conference call on 8 November 2017. At the latter, EFRAG TEG agreed to recommend, to the EFRAG Board, to publish the invitation to comment on EFRAG's assessments on the Amendments and a draft letter to the EC that includes EFRAG's draft endorsement advice that recommends the adoption of the Amendments.
- 4 15 EFRAG TEG members voted in favour and one EFRAG TEG member voted against. This EFRAG TEG member did not disagree with the overall recommendation for a positive draft endorsement advice, but would like to see more nuances to certain of sub-conclusions of Appendix 2.
- 5 The Amendments had been classified as 'less significant'. Accordingly, on 30 November 2017, the EFRAG Secretariat asked EFRAG Board's approval of the draft endorsement advice through a written procedure.
- 6 Given the significant diversity in views among EFRAG Board members, it has been decided that the issue should be considered by the EFRAG Board in meeting.

Agenda papers

- 7 In addition to this cover note, the following agenda papers have been provided for this session:
 - (a) 10-02 *Draft letter to the EC*;
 - (b) 10-03 *Invitation to comment on EFRAG's assessments on the Amendments*; and
 - (c) 10-04 *EFRAG comment letter on the IASB ED-2017-1 (for background only)*.

Question for the EFRAG Board

- 8 Does the EFRAG Board approve EFRAG's draft endorsement advice?

9	Does the EFRAG Board approve EFRAG's invitation to comment on EFRAG's assessment on the Amendments?
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