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Approval by the Board of IAS 28 issued in December 2003

International Accounting Standard 28 *Investments in Associates* (as revised in 2003) was approved for issue by the fourteen members of the International Accounting Standards Board.

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Approval by the Board of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28) issued in September 2014

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture was approved for issue by eleven of the fourteen members of the International Accounting Standards Board. Mr Kabureck, Ms Lloyd and Mr Ochi dissented¹ from the issue of the amendments to IFRS 10 and IAS 28. Their dissenting opinions are set out after the Basis for Conclusions.

Hans Hoogervorst	Chairman
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Darrel Scott	
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Mary Tokar	
Wei-Guo Zhang	

¹ Ms Patricia McConnell (former IASB member) intended to dissent from the issue of the amendments to IFRS 10 and IAS 28 for the same reasons as Ms Lloyd and Mr Ochi. Her dissenting opinion is not included in these amendments, because her term as an IASB member expired on 30 June 2014.

Approval by the Board of *Investment Entities: Applying the Consolidation Exception* (Amendments to IFRS 10, IFRS 12 and IAS 28) issued in December 2014

Investment Entities: Applying the Consolidation Exception was approved for issue by the fourteen members of the International Accounting Standards Board.

Hans Hoogervorst

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Amaro Luiz De Oliveira Gomes

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Patrick Finnegan

Gary Kabureck

Suzanne Lloyd

Takatsugu Ochi

Darrel Scott

Chungwoo Suh

Mary Tokar

Wei-Guo Zhang

Approval by the Board of *Effective Date of Amendments to IFRS 10 and IAS 28* issued in December 2015

Effective Date of Amendments to IFRS 10 and IAS 28 was approved for publication by the fourteen members of the International Accounting Standards Board.

Hans Hoogervorst

Chairman

Ian Mackintosh

Vice-Chairman

Stephen Cooper

Philippe Danjou

Martin Edelmann

Patrick Finnegan

Amaro Gomes

Gary Kabureck

Suzanne Lloyd

Takatsugu Ochi

Darrel Scott

Chungwoo Suh

Mary Tokar

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Basis for Conclusions on IAS 28 *Investments in Associates and Joint Ventures*

This Basis for Conclusions accompanies, but is not part of, IAS 28.

Introduction

- BC1 This Basis for Conclusions summarises the International Accounting Standards Board's considerations in reaching its conclusions on amending IAS 28 *Investments in Associates* in 2011. Individual Board members gave greater weight to some factors than to others.
- BC2 The amendment of IAS 28 resulted from the Board's project on joint ventures. When discussing that project, the Board decided to incorporate the accounting for joint ventures into IAS 28 because the equity method is applicable to both joint ventures and associates.
- BC3 As a result, the title of IAS 28 was changed to *Investments in Associates and Joint Ventures*. Because the Board's intention was not to reconsider the fundamental approach to the accounting for investments in associates established by IAS 28, the Board has incorporated into its Basis for Conclusions on IAS 28 material from the Basis for Conclusions on IAS 28 (as revised in 2003) that the Board has not reconsidered.

The structure of IAS 28 and the Board's deliberations

- BC4 IAS 28 as amended in 2011 superseded IAS 28 (as revised in 2003 and amended in 2010). As stated in paragraph BC3, in amending IAS 28, the Board did not reconsider all the Standard's requirements. The requirements in paragraphs 5–11, 15, 22–23, 25–28 and 32–43 relate to the assessment of significant influence and to the equity method and its application, and paragraphs 12–14 relate to the accounting for potential voting rights. With the exception of the Board's decision to incorporate the accounting for joint ventures into IAS 28, those paragraphs were carried forward from IAS 28 and from the Guidance on Implementing IAS 27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures* that was withdrawn when IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IAS 28 (as amended in 2011) were issued. As a result, those paragraphs were not reconsidered by the Board.
- BC5 When revised in 2003 IAS 28 was accompanied by a Basis for Conclusions summarising the considerations of the Board, as constituted at the time, in reaching its conclusions. That Basis for Conclusions was subsequently updated to reflect amendments to the Standard.
- BC6 The Board has incorporated into its Basis for Conclusions on IAS 28 (as amended in 2011) material from the previous Basis for Conclusions because it discusses matters that the Board has not reconsidered. That material is contained in paragraphs denoted by numbers with the prefix BCZ. In those paragraphs cross-references have been updated accordingly and minor necessary editorial changes have been made.
- BC7 One Board member dissented from an amendment to IAS 28 issued in May 2008, which has been carried forward to IAS 28 (as amended in 2011). His dissenting opinion is also set out after this Basis for Conclusions.
- BC8 The requirements in paragraphs 2, 16–21, 24 and 29–31 relate to matters addressed within the joint ventures project that led to amendments to IAS 28. Paragraphs describing the Board's considerations in reaching its conclusions on IAS 28 are numbered with the prefix BC.
- BC9 As part of its project on consolidation, the Board is examining how an investment entity accounts for its interests in subsidiaries, joint ventures and associates. The outcome might affect how organisations such as venture capital organisations, or mutual funds, unit trusts and similar entities account for their interests in joint ventures and associates. The Board expects to publish later in 2011 an exposure draft on investment entities.^{2,3}

² In October 2012 the Board issued *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27), which required investment entities, as defined in IFRS 10 *Consolidated Financial Statements*, to measure their investments in subsidiaries, other than those providing investment-related services or activities, at fair value through profit or loss. The amendments did not introduce any new accounting requirements for investments in associates or joint ventures.

³ In December 2014, the IASB issued *Investment Entities: Applying the Consolidation Exception* (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments introduced relief to permit a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries (see paragraphs BC46A–BC46G).

Scope

- BC10 During its redeliberation of the exposure draft ED 9 *Joint Arrangements*, the Board reconsidered the scope exception of IAS 31 that had also been proposed in ED 9. The Board concluded that the scope exception in ED 9 for interests in joint ventures held by venture capital organisations, or mutual funds, unit trusts and similar entities, including investment-linked insurance funds, that are measured at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* is more appropriately characterised as a measurement exemption, and not as a scope exception.
- BC11 The Board observed that IAS 28 had a similar scope exception for investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities, including investment-linked insurance funds, that are measured at fair value through profit or loss in accordance with IFRS 9.
- BC12 The Board observed that the scope exception in ED 9 and IAS 28 related not to the fact that these arrangements do not have the characteristics of joint arrangements or those investments are not associates, but to the fact that for investments held by venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds, fair value measurement provides more useful information for users of the financial statements than would application of the equity method.
- BC13 Accordingly, the Board decided to maintain the option that permits venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds to measure their interests in joint ventures and associates at fair value through profit or loss in accordance with IFRS 9, but clarified that this is an exemption from the requirement to measure interests in joint ventures and associates using the equity method, rather than an exception to the scope of IAS 28 for the accounting for joint ventures and associates held by those entities.
- BC14 As a result of that decision and of the decision to incorporate the accounting for joint ventures into IAS 28, the Board decided that IAS 28 should be applied to the accounting for investments held by all entities that have joint control of, or significant influence over, an investee.

Significant influence

Potential voting rights

- BC15 In its deliberation of the amendments to IAS 28, the Board considered whether the requirements now in paragraphs 7–9 of IAS 28 regarding potential voting rights when assessing significant influence should be changed to be consistent with the requirements developed in the consolidation project.
- BC16 The Board observed that the definition of significant influence in IAS 28 (ie ‘the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies’) was related to the definition of control as it was defined in IAS 27. The Board had not considered the definition of significant influence when it amended IAS 28 and concluded that it would not be appropriate to change one element of significant influence in isolation. Any such consideration should be done as part of a wider review of the accounting for associates.

Application of the equity method

Temporary joint control and significant influence (2003 revision)

- BCZ17 In IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* the Board decided not to exempt an entity from applying the equity method for accounting for its investments in joint ventures and associates when joint control of, or significant influence over, an investee is intended to be temporary.

Severe long-term restrictions impairing ability to transfer funds to the investor (2003 revision)

- BCZ18 The Board decided not to exempt an entity from applying the equity method for accounting for its investments in joint ventures or associates when severe long-term restrictions impaired a joint venture or an associate’s ability to transfer funds to the investor. It did so because such circumstances may not preclude the entity’s joint control of, or significant influence over, the joint venture or the associate. The Board decided that an entity should, when assessing its ability to exercise joint control of, or significant influence over, an investee,

consider restrictions on the transfer of funds from the joint venture or from the associate to the entity. In themselves, such restrictions do not preclude the existence of joint control or significant influence.

Non-coterminous year-ends (2003 revision)

- BCZ19 The exposure draft that preceded the revision of IAS 28 in 2003 proposed to limit to three months any difference between the reporting dates of an entity and its associate or its joint venture when applying the equity method. Some respondents to that exposure draft believed that it could be impracticable for the entity to prepare financial statements as of the same date when the date of the entity's financial statements and those of the associate or joint venture differ by more than three months. The Board noted that a three-month limit operates in several jurisdictions and it was concerned that a longer period, such as six months, would lead to the recognition of stale information. Therefore, it decided to retain the three-month limit.

Exemption from applying the equity method: subsidiary of an investment entity

- BC19A In December 2014, the Board amended IFRS 10 to confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of IFRS 10 is available to a parent entity that is a subsidiary of an investment entity. The Board also decided to amend paragraph 17 of IAS 28 for the same reasons. Paragraph 17 of IAS 28 uses the same criteria as paragraph 4(a) of IFRS 10 to provide an exemption from applying the equity method for entities that are subsidiaries and that hold interests in associates and joint ventures.

Exemption from applying the equity method: measuring an associate or joint venture at fair value (amendments issued in December 2016)

- BC19B When an investment in an associate or joint venture is held by, or is held indirectly through, a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect, in accordance with paragraph 18 of IAS 28, to measure that investment at fair value through profit or loss. The Board received a request to clarify whether the entity is able to choose between applying the equity method or measuring the investment at fair value for each investment, or whether instead the entity applies the same accounting to all of its investments in associates and joint ventures.
- BC19C The Board noted that, before it was revised in 2011, IAS 28 *Investments in Associates* permitted a venture capital organisation, or a mutual fund, unit trust and similar entities to elect to measure investments in an associate at fair value through profit or loss separately for each associate. However, after the revision, it had become less clear whether such an election was still available to those entities. The Board noted that it did not consider changing these requirements when revising IAS 28 in 2011, and any lack of clarity that arose as a consequence of the amendments in 2011 was unintentional.
- BC19D Accordingly, in *Annual Improvements to IFRS Standards 2014–2016 Cycle*, the Board amended paragraph 18 of IAS 28 to clarify that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.
- BC19E In addition, paragraph 36A of IAS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint ventures (that are investment entities) when applying the equity method. The Board also decided to amend that paragraph to clarify that this choice is available, at initial recognition, for each investment entity associate or joint venture.
- BC19F Some respondents to the Board's proposals said that it was not clear whether, in its separate financial statements, a venture capital organisation or a mutual fund, unit trust and similar entities:
- could choose to measure investments in an associate or joint venture at fair value through profit or loss for each associate or joint venture; or
 - would be required to measure all such investments at fair value through profit or loss, on the grounds that paragraph 10 of IAS 27 *Separate Financial Statements* requires the same accounting for each category of investments and paragraph 11 of IAS 27 requires investments measured at fair value in accordance with IAS 28 to be measured at fair value in separate financial statements. If this were to be the case, those respondents note that such an outcome would appear to be inconsistent with the objective of the amendments to IAS 28.

- BC19G The Board noted that ‘category’ is not defined in IFRS Standards, but is used in a number of Standards. For example, IFRS 7 *Financial Instruments: Disclosures* uses ‘category’ to refer to groupings of financial assets and financial liabilities that are measured in different ways—for example, financial assets measured at fair value through profit or loss is one category of financial asset and financial assets measured at amortised cost is another category of financial asset. The Board observed that paragraph 10 of IAS 27 should not be read to mean that, in all circumstances, all investments in associates are one ‘category’ of investment and all investments in joint ventures are one ‘category’ of investment. The issue raised by respondents arises only if the requirement in paragraph 10 of IAS 27 were to be interpreted in that way. An entity that elects to measure some associates or joint ventures at fair value through profit or loss in accordance with paragraph 18 of IAS 28 would retain that measurement basis for those associates and joint ventures in its separate financial statements, as required by paragraph 11 of IAS 27. The entity could then choose to measure its remaining associates and joint ventures either at cost, in accordance with IFRS 9 or using the equity method in accordance with paragraph 10 of IAS 27.
- BC19H In response to the Board’s proposal to apply the amendments retrospectively, some respondents questioned whether the information needed would be available without the use of hindsight. Others suggested providing transition relief for entities that previously interpreted IAS 28 as requiring the same accounting for all investments in associates and joint ventures. They suggested that, when first applying the amendments, such entities should be allowed to elect to measure each existing investment either at fair value through profit or loss or using the equity method.
- BC19I The Board decided to retain retrospective application of the amendments because the amendments are expected to affect only a narrow population of entities, and such entities (being venture capital organisations, or mutual funds, unit trusts and similar entities) would typically be expected to have fair value information for their investments for management purposes. In addition, if the costs of applying the amendments retrospectively are considered excessive, an entity can choose not to change any of its previous decisions regarding measurement. This is because retrospective application of a choice of measurement for each associate or joint venture, in effect, means that an entity is not required to reassess its previous decisions. The Board also noted that retrospective application in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* means that an entity will not use hindsight when first applying the amendments—paragraph 53 of IAS 8 states that hindsight should not be used when applying a new accounting policy to a prior period, either in making assumptions about what management’s intentions would have been in a prior period or in estimating the amounts recognised, measured and disclosed in a prior period.

Exemptions from applying the equity method: partial use of fair value measurement of associates

- BC20 The Board received a request to clarify whether different measurement bases can be applied to portions of an investment in an associate when part of the investment is not accounted for using the equity method in accordance with paragraph 18 of IAS 28, but it is instead measured at fair value through profit or loss in accordance with IFRS 9. The Board initially deliberated this amendment to IAS 28 as part of the *Improvements to IFRSs* issued in April 2010; however, at its meeting in February 2010 the Board decided to address this issue within the joint ventures project.
- BC21 The Board noted that two views exist with respect to measurement. The first view identifies all direct and indirect interests held in the associate either by the parent or through any of its subsidiaries, and then applies IAS 28 to the entire investment in the associate. In accordance with this view, there is only one investment in the associate and it should be accounted for as a single unit. The second view identifies all direct and indirect interests held in an associate, but then allows the use of the measurement exemption to portions of an investment in an associate if the portion is held by a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, regardless of whether those entities have significant influence over their portion of the investment in the associate. The Board agreed with the second view and therefore amended IAS 28. The Board decided that equivalent guidance on the partial use of fair value for the measurement of investments in joint ventures should not be provided because the Board thought that such events would be unlikely in practice.
- BC22 The Board also discussed whether the partial use of fair value should be allowed only in the case of venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds, that have designated their portion of the investment in the associate at fair value through profit or loss in their own financial statements. The Board noted that several situations might arise in which those entities do not measure their portion of the investment in the associate at fair value through profit or loss. In those situations, however, from the group’s perspective, the appropriate determination of the business purpose would lead to the measurement of this portion of the investment in the associate at fair value through profit or loss in the consolidated financial statements. Consequently, the Board decided that an entity should be able to measure a portion of an investment in an associate held by a venture capital organisation, or a mutual fund,

unit trust and similar entities including investment-linked insurance funds, at fair value through profit or loss regardless of whether this portion of the investment is measured at fair value through profit or loss in those entities' financial statements.

Classification as held for sale

- BC23 ED 9 proposed that an entity should account for an interest in a joint venture that is classified as held for sale in accordance with IFRS 5.
- BC24 During its redeliberation of ED 9 the Board noted that the exposure draft *Improvements to IFRSs* published in August 2009 had proposed to amend IFRS 5 so as to require an entity to classify as held for sale its interest in an associate, or in a jointly controlled entity, when it is committed to a sale plan involving loss of significant influence or loss of joint control. Those proposals aimed to clarify that all the interest ('the whole interest') an entity had in an associate or a joint venture had to be classified as held for sale if the entity was committed to a sale plan involving loss of, significant influence over, or joint control of that interest.
- BC25 The Board observed that those proposals were not aligned with the decisions made during the Board's redeliberation of ED 9 to remove all descriptions that associated the loss of joint control and the loss of significant influence with the term 'significant economic event' as introduced in the second phase of the Board's project on business combinations (see paragraphs BC28–BC31).
- BC26 The Board decided that classifying an interest as held for sale should be on the basis of whether the intended disposal meets the criteria for classification as held for sale in accordance with IFRS 5, rather than on whether the entity had lost joint control of, or significant influence over, that interest. As a result, the Board concluded that when the disposal of an interest, or a portion of an interest, in a joint venture or an associate fulfilled the criteria for classification as held for sale in accordance with IFRS 5, an entity should classify the whole interest, or a portion of the interest, as held for sale.
- BC27 The Board decided that, in the case of a partial disposal, an entity should maintain the use of the equity method for the retained interest in the joint venture or associate until the portion classified as held for sale is finally disposed of. The Board reasoned that even if the entity has the intention of selling a portion of an interest in an associate or a joint venture, until it does so it still has significant influence over, or joint control of, that investee. After the disposal, an entity should measure the retained interest in the joint venture or associate in accordance with IFRS 9 or in accordance with IAS 28 if the entity still has significant influence over, or joint control of, the retained interest.

Discontinuing the use of the equity method

- BC28 During its redeliberation of ED 9, the Board reconsidered whether its decision in the second phase of the business combinations project to characterise loss of joint control or loss of significant influence as a significant economic event (ie in the same way that loss of control is characterised as a significant economic event) was appropriate. If it were, the Board thought that the entity should be required to recalculate the accounting as required by IFRS 10. However, the Board concluded that, although significant, the events are fundamentally different. In the case of loss of control, the cessation of the parent-subsidiary relationship results in the derecognition of assets and liabilities because the composition of the group changes. If joint control or significant influence is lost the composition of the group is unaffected.
- BC29 The Board also noted that retaining the characterisation of significant economic event in the case of loss of joint control or significant influence when the retained interest is a financial asset is unnecessary. IFRS 9 already requires that in such cases the retained interest (ie a financial asset) must be measured at fair value.
- BC30 In the case of loss of joint control when significant influence is maintained, the Board acknowledged that the investor-investee relationship changes and, consequently, so does the nature of the investment. However, in this instance, both investments (ie the joint venture and the associate) continue to be measured using the equity method. Considering that there is neither a change in the group boundaries nor a change in the measurement requirements, the Board concluded that losing joint control and retaining significant influence is not an event that warrants remeasurement of the retained interest at fair value.
- BC31 Consequently, the Board removed all descriptions that characterise loss of joint control or significant influence as a significant economic event as introduced in the second phase of the Board's project on business combinations.

Incorporation of SIC-13

- BC32 In the joint ventures project, the Board decided to extend the requirements and guidance in IAS 28 for the accounting for ‘downstream’ and ‘upstream’ transactions between an entity and its associate to the accounting for transactions between an entity and its joint venture.
- BC33 In ED 9, the Board proposed to incorporate into the standard on joint arrangements the consensus of SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers*. Because the Board relocated all the requirements for the accounting for joint ventures into IAS 28, the Board incorporated the consensus of SIC-13 into IAS 28 and extended it to associates.
- BC34 The Board noted that the consensus of SIC-13 regarding non-monetary contributions made by a venturer⁴ to a joint venture is consistent with IAS 28, except for the following aspect. SIC-13 established three exceptions for the recognition of gains or losses attributable to the equity interests of the other parties. In response to comments raised by some respondents to ED 9, the Board redeliberated the need to incorporate into IAS 28 the exceptions included in SIC-13 for the recognition by an entity of the portion of a gain or loss attributable to the interests of other unrelated investors in the investee.
- BC35 The Board concluded that only when the transaction lacks commercial substance should there be an exception for the recognition of gains or losses to be carried forward from the consensus of SIC-13 into IAS 28, because the other two exceptions in SIC-13 (ie ‘the significant risks and rewards of ownership of the contributed non-monetary asset(s) have not been transferred to the jointly controlled entity’ and ‘the gain or loss on the non-monetary contribution cannot be measured reliably’) either relate to requirements that are not aligned with the principles and requirements of IFRS 11 or relate to a criterion for the recognition of gain or losses (ie ‘reliability of measurement’) that is already included in the *Conceptual Framework for Financial Reporting*.
- BC36 To the extent that the entity also receives monetary or non-monetary assets dissimilar to the assets contributed in addition to equity interests in the investee, the realisation of which is not dependent on the future cash flows of the investee, the earnings process is complete. Accordingly, an entity should recognise in full in profit or loss the portion of the gain or loss on the non-monetary contribution relating to the monetary or non-monetary assets received.
- BC37 Additionally, the Board considered whether the requirements in IAS 31 for recognition of losses when downstream or upstream transactions provide evidence of a reduction in the net realisable value or impairment loss of the assets transacted or contributed were still relevant and decided to bring them forward to IAS 28.

Sale or contribution of assets between an investor and its associate or joint venture—amendments to IFRS 10 and IAS 28 (issued in September 2014)

- BC37A The IFRS Interpretations Committee received a request to clarify whether a business meets the definition of a ‘non-monetary asset’. The question was asked within the context of identifying whether the requirements of SIC-13⁵ and IAS 28 (as revised in 2011) apply when a business is contributed to a jointly controlled entity (as defined in IAS 31⁶), a joint venture (as defined in IFRS 11) or an associate, in exchange for an equity interest in that jointly controlled entity, joint venture or associate. The business may be contributed either when the jointly controlled entity, joint venture or associate is established or thereafter.
- BC37B The Board noted that this matter is related to the issues arising from the acknowledged inconsistency between the requirements in IAS 27 (as revised in 2008) and SIC-13, when accounting for the contribution of a subsidiary to a jointly controlled entity, joint venture or associate (resulting in the loss of control of the subsidiary). In accordance with SIC-13, the amount of the gain or loss recognised resulting from the contribution of a non-monetary asset to a jointly controlled entity in exchange for an equity interest in that jointly controlled entity is restricted to the extent of the interests attributable to the unrelated investors in the jointly controlled entity. However, IAS 27 (as revised in 2008) requires full profit or loss recognition on the loss of control of a subsidiary.
- BC37C This inconsistency between IAS 27 (as revised in 2008) and SIC-13 remained after IFRS 10 replaced IAS 27 (as revised in 2008) and SIC-13 was withdrawn. The requirements in IFRS 10 on the accounting for the loss of control of a subsidiary are similar to the requirements in IAS 27 (as revised in 2008). The requirements in

⁴ IFRS 11 *Joint Arrangements*, issued in May 2011, uses the term ‘joint venturers’ to designate parties that have joint control of a joint venture.

⁵ SIC-13 has been withdrawn. The requirements in SIC-13 are incorporated into IAS 28 (as amended in 2011).

⁶ IAS 31 was superseded by IFRS 11 *Joint Arrangements* issued in May 2011.

SIC-13 are incorporated into paragraphs 28 and 30 of IAS 28 (as amended in 2011) and apply to the sale or contribution of assets between an investor and its associate or joint venture. Because IAS 27 (as revised in 2008) and SIC-13 have been superseded at the time when the amendments become effective, the Board decided to amend only IFRS 10 and IAS 28 (as amended in 2011).

BC37D In dealing with the conflict between the requirements in IFRS 10 and IAS 28 (as amended in 2011), the Board was concerned that the existing requirements could result in the accounting for a transaction being driven by its form rather than by its substance. For example, different accounting might be applied to a transaction involving the same underlying assets depending on whether those assets were:

- (a) transferred in a transaction that is structured as a sale of assets or as a sale of the entity that holds the assets; or
- (b) sold in exchange for cash or contributed in exchange for an equity interest.

BC37E The Board concluded that:

- (a) the accounting for the loss of control of a business, as defined in IFRS 3, should be consistent with the conclusions in IFRS 3; and
- (b) a full gain or loss should therefore be recognised on the loss of control of a business, regardless of whether that business is housed in a subsidiary or not.

BC37F Because assets that do not constitute a business were not part of the Business Combinations project, the Board concluded that:

- (a) the current requirements in IAS 28 (as amended in 2011) for the partial gain or loss recognition for transactions between an investor and its associate or joint venture should only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business; and
- (b) IFRS 10 should be amended so that a partial gain or loss is recognised in accounting for the loss of control of a subsidiary that does not constitute a business as a result of a transaction between an investor and its associate or joint venture.

BC37G The Board discussed whether all sales and contributions (including the sale or contribution of assets that do not constitute a business) should be consistent with IFRS 3. Although it considered this alternative to be the most robust from a conceptual point of view, it noted that this would require addressing multiple cross-cutting issues. Because of concerns that the cross-cutting issues could not be addressed on a timely basis the conclusions described in paragraphs BC37E–BC37F were considered the best way to address this issue.

BC37H The Board decided that both ‘upstream’ and ‘downstream’ transactions should be affected by the amendments to IFRS 10 and IAS 28 (as amended in 2011). The Board noted that if assets that constitute a business were sold by an associate or a joint venture to the investor (in an upstream transaction), with the result that the investor takes control of that business, the investor would account for this transaction as a business combination in accordance with IFRS 3.

BC37I The Board decided that the amendments to IFRS 10 and IAS 28 (as amended in 2011) should apply prospectively to transactions that occur in annual periods beginning on or after the date that the amendments become effective. The Board observed that the requirements in IAS 27 (as revised in 2008) for the loss of control of a subsidiary (see paragraph 45(c) of IAS 27 as revised in 2008) were applied prospectively. The Board also noted that transactions dealing with the loss of control of a subsidiary or a business between an investor and its associate or joint venture are discrete non-recurring transactions. Consequently, the Board concluded that the benefits of comparative information would not exceed the cost of providing it. The Board also decided to allow entities to early apply the amendments to IFRS 10 and IAS 28 (as amended in 2011).

Deferral of the *Effective Date of Amendments to IFRS 10 and IAS 28* (issued in September 2014)

BC37J In December 2015, the Board decided to defer indefinitely the effective date of the amendments made to IFRS 10 and IAS 28 in September 2014. See paragraphs BC190L–BC190O of the Basis for Conclusions on IFRS 10 *Consolidated Financial Statements*.

Recognition of losses (2003 revision)

BCZ38 The 2000 version of IAS 28 and SIC-20 *Equity Accounting Method—Recognition of Losses* restricted application of the equity method when, in accounting for the entity’s share of losses, the carrying amount of the investment is reduced to zero.

- BCZ39 The Board decided that the base to be reduced to zero should be broader than residual equity interests and should also include other non-equity interests that are in substance part of the net investment in the associate or joint venture, such as long-term receivables. Therefore, the Board decided to withdraw SIC-20.
- BCZ40 The Board also noted that if non-equity investments are not included in the base to be reduced to zero, an entity could restructure its investment to fund the majority in non-equity investments to avoid recognising the losses of the associate or joint venture under the equity method.
- BCZ41 In widening the base against which losses are to be recognised, the Board also clarified the application of the impairment provisions of IAS 39 *Financial Instruments: Recognition and Measurement*⁷ to the financial assets that form part of the net investment.

Impairment losses (2008 amendment)

- BCZ42 In 2008 the Board identified unclear guidance in IAS 28 regarding the extent to which an impairment reversal should be recognised as an adjustment to the carrying amount of an investment in an associate or in a joint venture.
- BCZ43 The Board noted that applying the equity method involves adjusting the entity's share of the impairment loss recognised by the associate or joint venture on assets such as goodwill or property, plant and equipment to take account of the acquisition date fair values of those assets. The Board proposed in the exposure draft *Improvements to International Financial Reporting Standards* published in October 2007 that an additional impairment recognised by the entity, after applying the equity method, should not be allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Therefore, such an impairment should be reversed in a subsequent period to the extent that the recoverable amount of the investment increases.
- BCZ44 Some respondents to the exposure draft expressed the view that the proposed amendment was not consistent with IAS 39 (regarding reversal of an impairment loss on an available-for-sale equity instrument⁸), or with IAS 36 *Impairment of Assets* (regarding the allocation of an impairment loss to goodwill and any reversal of an impairment loss relating to goodwill).
- BCZ45 In its redeliberations, the Board affirmed its previous decisions but, in response to the comments made, decided to clarify the reasons for the amendments. The Board decided that an entity should not allocate an impairment loss to any asset that forms part of the carrying amount of the investment in the associate or joint venture because the investment is the only asset that the entity controls and recognises.
- BCZ46 The Board also decided that any reversal of this impairment loss should be recognised as an adjustment to the investment in the associate or joint venture to the extent that the recoverable amount of the investment increases. This requirement is consistent with IAS 36, which permits the reversal of impairment losses for assets other than goodwill. The Board did not propose to align the requirements for the reversal of an impairment loss with those in IAS 39⁹ relating to equity instruments, because an entity recognises an impairment loss on an investment in an associate or joint venture in accordance with IAS 36, rather than in accordance with IAS 39.

Retaining the fair value measurement applied by an associate or joint venture that is an investment entity

- BC46A In October 2012, the Board issued *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27), which required investment entities, as defined in IFRS 10, to measure most investments in subsidiaries at fair value through profit or loss. The amendments did not introduce any new accounting requirements for investments in associates or joint ventures. This is because paragraphs 18–19 of IAS 28 already allowed an investment entity to measure its investments in associates and joint ventures at fair value through profit or loss in accordance with IFRS 9. A wider range of entities, including venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds, may also elect to measure their investments in associates and joint ventures in the same way.
- BC46B Paragraph 33 of IFRS 10 requires a non-investment entity parent of an investment entity to consolidate all entities that it controls, including those controlled through an investment entity subsidiary. This is consistent with the proposal contained in the Exposure Draft *Investment Entities* (the '*Investment Entities* ED'), which was published in August 2011. Some respondents to the *Investment Entities* ED noted that this seemed inconsistent with paragraphs 18–19 of IAS 28, which allow a wider group of entities than only investment

⁷ IFRS 9 *Financial Instruments* replaced IAS 39. IFRS 9 applies to all items that previously were within the scope of IAS 39.

⁸ IFRS 9 *Financial Instruments* eliminated the category of available-for-sale financial assets.

⁹ IFRS 9 *Financial Instruments* replaced IAS 39. IFRS 9 applies to all items that previously were within the scope of IAS 39.

entities to measure their investments in associates and joint ventures at fair value through profit or loss. The Board acknowledged this inconsistency, and explained its reasons for not amending IAS 28 in line with IFRS 10, in paragraph BC283 of IFRS 10.

- BC46C Subsequently, the IFRS Interpretations Committee (the ‘Interpretations Committee’) received a request to clarify whether an entity that is not an investment entity should, when applying the equity method of accounting for its investment in an associate or joint venture that is an investment entity, retain the fair value measurement that is applied by that associate or joint venture to its subsidiaries or, instead, ‘unwind’ that treatment and apply consolidation procedures. Members of the Interpretations Committee had mixed views on the matter and, because of the need to provide clarity before the end of 2014, the matter was passed to the Board.
- BC46D The Board noted that the scope of the amendment in the *Investment Entities* ED was restricted to providing an exception to the consolidation requirements for investment entity parents. This exception reflects the unique business model of an investment entity, for which fair value information is more relevant than consolidation. This unique business model is not applicable to a non-investment entity parent. Consequently, paragraph 33 of IFRS 10 requires a non-investment entity parent of an investment entity to consolidate all entities that it controls, both directly and indirectly through an investment entity. This requires the non-investment entity parent to unwind the fair value through profit or loss measurement used by its investment entity subsidiaries for indirectly held subsidiaries.
- BC46E The Board also noted that paragraphs 35–36 of IAS 28, which require the use of uniform accounting policies, would apply for a non-investment entity investor and its investment entity associates or joint ventures. This would mean that the subsidiaries of those investment entity associates and joint ventures should be consolidated into the financial statements of those associates and joint ventures prior to the equity method being applied. The Board noted that this is conceptually consistent with the requirement in IFRS 10 for a non-investment entity parent to consolidate subsidiaries held through an investment entity subsidiary.
- BC46F However, some Board members raised concerns about the potentially significant practical difficulties or additional costs that may arise for an entity in unwinding the fair value through profit or loss measurement applied by an investment entity associate or joint venture for their interests in subsidiaries. Some Board members noted that the degree of practical difficulty is different depending on whether the investee is an associate or joint venture. In addition, some Board members noted the structuring risks highlighted in paragraph BC280 of IFRS 10 and noted that an investor’s ability to achieve different accounting outcomes by holding investments through an investment entity investee is different depending on whether the investee is an associate or a joint venture. Consequently, in the Exposure Draft *Investment Entities: Applying the Consolidation Exception* (Proposed amendments to IFRS 10 and IAS 28) (the ‘*Consolidation Exception* ED’), which was published in June 2014, the Board proposed to provide relief to non-investment entity investors for their interests in investment entity associates, but not for their interests in investment entity joint ventures.
- BC46G The practicality and cost concerns were noted by the majority of respondents to the *Consolidation Exception* ED. However, the majority of respondents disagreed with the proposal to limit the relief to interests in investment entity associates, noting that the practicality and cost issues also applied to interests in joint ventures. In addition, some respondents disagreed with the concerns about the risk of structuring, noting that the difference between significant influence and joint control is much smaller than the difference between control and joint control. Consequently, the Board decided to provide relief to non-investment entity investors in both investment entity associates and joint ventures and to retain the consistency in treatment in applying the equity method to both associates and joint ventures. This relief permits, but does not require, a non-investment entity investor to retain the fair value through profit or loss measurement applied by an investment entity associate or joint venture for their subsidiaries when applying the equity method.

Effective date and transition

- BC47 The Board decided to align the effective date for the Standard with the effective date for IFRS 10, IFRS 11, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements*. When making this decision, the Board noted that the five IFRSs all deal with the assessment of, and related accounting and disclosure requirements about, a reporting entity’s special relationships with other entities (ie when the reporting entity has control or joint control of, or significant influence over, another entity). As a result, the Board concluded that applying IAS 28 without also applying the other four IFRSs could cause unwarranted confusion.
- BC48 The Board usually sets an effective date of between twelve and eighteen months after issuing an IFRS. When deciding the effective date for those IFRSs, the Board considered the following factors:
- (a) the time that many countries require for translation and for introducing the mandatory requirements into law.

- (b) the consolidation project was related to the global financial crisis that started in 2007 and was accelerated by the Board in response to urgent requests from the leaders of the G20, the Financial Stability Board, users of financial statements, regulators and others to improve the accounting and disclosure of an entity's 'off balance sheet' activities.
 - (c) the comments received from respondents to the Request for Views *Effective Date and Transition Methods* that was published in October 2010 regarding implementation costs, effective date and transition requirements of the IFRSs to be issued in 2011. Most respondents did not identify the consolidation and joint arrangements IFRSs as having a high impact in terms of the time and resources that their implementation would require. In addition, only a few respondents commented that the effective dates of those IFRSs should be aligned with those of the other IFRSs to be issued in 2011.
- BC49 With those factors in mind, the Board decided to require entities to apply the five IFRSs for annual periods beginning on or after 1 January 2013.
- BC50 Most respondents to the Request for Views supported early application of the IFRSs to be issued in 2011. Respondents stressed that early application was especially important for first-time adopters in 2011 and 2012. The Board was persuaded by these arguments and decided to permit early application of IAS 28 but only if an entity applies it in conjunction with the other IFRSs (ie IFRS 10, IFRS 11, IFRS 12 and IAS 27 (as amended in 2011)) to avoid a lack of comparability among financial statements, and for the reasons noted in paragraph BC47 that triggered the Board's decision to set the same effective date for all five IFRSs. Even though an entity should apply the five IFRSs at the same time, the Board noted that an entity should not be prevented from providing any information required by IFRS 12 early if by doing so users gained a better understanding of the entity's relationships with other entities.
- BC50A The Board decided that no specific transition guidance was needed and, therefore, an entity should apply *Investment Entities: Applying the Consolidation Exception* (Amendments to IFRS 10, IFRS 12 and IAS 28) retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

General

Withdrawal of IAS 28 (2003 revision)

- BC51 IAS 28 *Investments in Associates and Joint Ventures* replaces IAS 28 *Investments in Associates* (as revised in 2003 and amended in 2010). IAS 28 (as amended in 2011) incorporates the accounting for joint ventures and includes some amendments discussed by the Board during its redeliberation of the exposure draft ED 9.

Disclosure

- BC52 IAS 28 does not address the disclosure requirements for entities with joint control of, or significant influence over, an investee. As part of its redeliberation of ED 9 and ED 10 *Consolidated Financial Statements*, the Board identified an opportunity to integrate and make consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities, and to present those requirements in a single IFRS.
- BC53 The Board observed that IAS 27, IAS 28 and IAS 31 contained many similar disclosure requirements. ED 9 had already proposed amendments to the disclosure requirements for joint ventures and associates to align the disclosure requirements for those two types of investments more closely. The Board noted that the majority of respondents agreed with the proposals in ED 9 to align the disclosures for joint ventures with the disclosures in IAS 28 for associates.
- BC54 As a result, the Board combined the disclosure requirements for interest with subsidiaries, joint arrangements, associates and unconsolidated structured entities within a single comprehensive standard, IFRS 12.
- BC55 The Basis for Conclusions accompanying IFRS 12 summarises the Board's considerations in developing that IFRS, including its review of responses to the disclosure proposals in ED 9. Accordingly, IAS 28 does not include disclosure requirements and this Basis for Conclusions does not incorporate the Board's considerations of responses to the proposed disclosure requirements in ED 9.

Summary of main changes from IAS 28 (2003 revision)

- BC56 The main changes from the previous version of IAS 28 are as follows:
- (a) The accounting for joint ventures has been incorporated into the Standard.

- (b) The scope exception for venture capital organisations, or mutual funds, unit trusts and similar entities, including investment-linked insurance funds has been eliminated and has been characterised as a measurement exemption from the requirement to measure investments in associates and joint ventures in using the equity method.
- (c) IAS 28 now permits an entity that has an investment in an associate, a portion of which is held indirectly through venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds, to elect to measure that portion of the investment in the associate at fair value through profit or loss in accordance with IFRS 9 regardless of whether these entities have significant influence over that portion of the investment.
- (d) IAS 28 requires a portion of an investment in an associate or a joint venture to be classified as held for sale if the disposal of that portion of the interest would fulfil the criteria to be classified as held for sale in accordance with IFRS 5.
- (e) The consensus of SIC-13 has been incorporated into IAS 28. As a result, gains and losses resulting from a contribution of a non-monetary asset to an associate or a joint venture in exchange for an equity interest in an associate or a joint venture are recognised only to the extent of unrelated investors' interests in the associate or joint venture, except when the contribution lacks commercial substance, as that term is described in IAS 16 *Property, Plant and Equipment*.
- (f) The disclosure requirements have been placed in IFRS 12.

Dissenting opinions

Dissenting opinion on amendment issued in May 2008

Dissent of Tatsumi Yamada

- DO1 Mr Yamada voted against one of the amendments to IAS 28 *Investments in Associates* issued in *Improvements to IFRSs* in May 2008.
- DO2 Mr Yamada believes it is inappropriate not to allocate any additional impairment losses to the goodwill and other assets that form part of the carrying amount of the investment in the associate. In his view, because he believes that an investor can identify attributable goodwill when it makes an investment, all impairment losses recognised with respect to the investor's investment in an associate should be allocated to the goodwill and other assets that form part of the carrying amount of the investment.
- DO3 Mr Yamada also believes that all impairment losses allocated to goodwill should not be subsequently reversed. In his view the non-allocation of impairment losses to goodwill as required by the amendment and the subsequent reversal of such impairment losses in substance leads to the recognition of internally generated goodwill. He believes that the amendment to IAS 28 is not consistent with paragraphs 124 and 125 of IAS 36 *Impairment of Assets*, which prohibit the reversal of impairment losses related to goodwill.

Dissenting Opinions from *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28) as issued in September 2014

- DO1 Mr Kabureck, Ms Lloyd and Mr Ochi voted against the publication of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28). The reasons for their dissents are set out below.

Dissent of Mr Kabureck

- DO2 Mr Kabureck dissents from the amendments to IFRS 10 and IAS 28, which require full gain or loss recognition in the accounting for the loss of control when a parent (investor) sells or contributes a business, as defined in IFRS 3 *Business Combinations*, to an investee (ie an associate or a joint venture) that is accounted for using the equity method.
- DO3 He agrees that the control of a business can be lost regardless of whether the acquirer is a related or an unrelated party. However, he believes that the accounting for the gain or loss should be different if the sale or contribution is to an investee that is accounted for using the equity method. He observes that the investor's interest in the gain or loss will eventually affect the future investee's profit or loss recognised in the investor's profit or loss.
- DO4 His concern can be illustrated by a simple example:
- An investor sells a business to a 40 per cent-owned associate accounted for using the equity method. The full gain is CU100.¹⁰ This gain of CU100 is reflected in the associate's financial statements through the higher value of the net assets acquired. Over time, assuming that no goodwill or indefinite lived intangible assets are involved, the associate's future profits or losses will be lower by CU100 as the assets are consumed and, therefore, the investor's share of the associate's profits or losses will be lower by CU40. Consequently, the net gain of the investor over time is CU60, not CU100.
- DO5 Accordingly, he believes that a more faithful representation of the transaction would be to recognise an immediate gain of CU60 and a deferred gain of CU40, which would be amortised into income, making it consistent with the consumption of the sold assets in the investee's operations. He believes that it would be inappropriate to immediately recognise the full gain knowing that over time there would be lower profits to the extent of the equity interest in the investee.
- DO6 Mr Kabureck observes that his preferred partial gain or loss accounting is consistent with the accounting for the sales of assets that do not constitute a business, as described in paragraphs BC190F of IFRS 10 and BC37F of IAS 28. Whether or not the assets sold or contributed do, or do not, constitute a business, seems to him to provide little rationale for different gain or loss treatment. He further observes that the line between what constitutes a business versus a collection of assets is frequently unclear, often based on judgement and represents an interpretation challenge in practice. He disagrees with introducing another accounting difference that is dependent on the interpretation of the definition of a business.

Dissent of Ms Lloyd and Mr Ochi

- DO7 Ms Lloyd and Mr Ochi agree that the sale of assets that constitute a business and the sale of assets that do not constitute a business should be treated differently for the reasons given in paragraphs BC190G of IFRS 10 and BC37G of IAS 28. However, they also believe that the accounting result should not differ depending on whether assets that do not constitute a business are transferred in a transaction that is structured as a sale of assets or as a sale of the entity that holds those assets. Ms Lloyd and Mr Ochi believe that these amendments do not achieve that result.
- DO8 The stated objective of these amendments is to address the conflict between the requirements of IFRS 10 and IAS 28. Prior to these amendments, IFRS 10 required full gain or loss recognition on the loss of control of a subsidiary, whereas IAS 28 restricted the gain or loss resulting from the sale or contribution of assets to an associate or a joint venture to the extent of the interests that were attributable to unrelated investors in that associate or joint venture (downstream transactions).
- DO9 As a result of these amendments, there will continue to be a full gain or loss recognition on the loss of control of a subsidiary that constitutes a business under IFRS 10, as well as a full gain or loss recognition resulting from the sale or contribution of assets that constitute a business between an investor and its associate or joint venture under IAS 28. The gain or loss recognised on the sale of the business will be the same whether it is

¹⁰ In this document, monetary items are denominated by 'currency units' (CU).

structured as a sale of assets that constitute a business or as a sale of the entity that contains a business. As stated above, Ms Lloyd and Mr Ochi agree with this result.

- DO10 Even after the amendments, IAS 28 will continue to restrict the gain or loss resulting from the sale or contribution of assets that do not constitute a business to an associate or a joint venture to the extent of the interests that are attributable to unrelated investors in that associate or joint venture. However, as a result of these amendments, under IFRS 10, when an entity sells an interest in a subsidiary that does not contain a business to an associate or a joint venture and as a result loses control of that subsidiary but retains joint control or significant influence over it, the gain or loss recognised is also limited to the unrelated investor's interests in the associate or joint venture to which the interest in the subsidiary was sold. In addition, the entity will remeasure its retained interest in the former subsidiary to fair value at the date it loses control, even though that retained interest is not in an entity that constitutes a business. Ms Lloyd and Mr Ochi acknowledge that under the amendments, recognition of the gain or loss on remeasurement will be limited to the unrelated investor's interests in the associate or joint venture to which the interest in the subsidiary was sold. However, because Ms Lloyd and Mr Ochi believe the sale of a subsidiary that does not constitute a business, and the sale of the assets held in that subsidiary, is substantially the same transaction, they do not find any justification for the recognition of any additional gain on the remeasurement of the retained portion.
- DO11 Furthermore, Ms Lloyd and Mr Ochi note that if the retained interest in the former subsidiary is an investment accounted for in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*, the amount of gain or loss recognised on remeasurement will not be restricted. A full gain or loss will be recognised on remeasurement of the retained interest even though that interest is not in an entity that constitutes a business. As a result of the remeasurement of the retained interest in the former subsidiary, the amount of gain or loss recognised in a transaction involving the same underlying assets will still be different depending on whether those assets are transferred in a transaction that is structured as a sale of assets or as a sale of the entity that holds the assets. Ms Lloyd and Mr Ochi disagree with this result. They believe that the remeasurement of a retained interest in a former subsidiary to fair value when control is lost is a fundamental principle of IFRS 10. They also believe that accounting for equity interests that do not represent control, joint control or significant influence at fair value is a fundamental principle of IFRS 9 and IAS 39. Ms Lloyd and Mr Ochi do not believe that these principles can be reconciled in a limited-scope amendment to the treatment in IAS 28 of downstream transactions that involve the sale of assets that do not constitute a business.
- DO12 Consequently, Ms Lloyd and Mr Ochi dissent from these amendments because they do not fully address the concerns of the Board and the IFRS Interpretations Committee as set out in paragraphs BC190D of IFRS 10 and BC37D of IAS 28.

Table of Concordance

This table shows how the contents of the superseded version of IAS 28 (as revised in 2003) and the amended version of IAS 28 in 2011 correspond. Some requirements in the superseded version of IAS 28 were incorporated into IFRS 12 *Disclosure of Interests in Other Entities*; this table also shows how those paragraphs correspond. Paragraphs are treated as corresponding if they broadly address the same matter even though the guidance may differ.

Superseded IAS 28 paragraph	Amended IAS 28 paragraph	IFRS 12 paragraph	Amended IAS 27 paragraph	Superseded IAS 28 paragraph	Amended IAS 28 paragraph	IFRS 12 paragraph	Amended IAS 27 paragraph
1	2, 18, 19			24	33		
2	3, 4			25	34		
3			7	26	35		
4			6	27	36		
5			8	28	37		
6	5			29	38		
7	6			30	39		
8	7			31	40		
9	8			32	41		3
10	9			33	42		
11	10			34	43		
12	12			35	44		
13	17			36			
14	20			37		21–24	
15	21			38		21–24	
17	11			39		21–24	
18	22			40		21–24	
19	22			41	45		
19A	23			41A–41E			
20	26			42	47		
21	27			43	47		
22	28			None	1, 13–16, 24, 25, 29–31, 46		
23	32						