XRB 2026/61

This secondary legislation is administered by the External Reporting Board. For more information please see:

Website: www.xrb.govt.nz

Contact phone: +64 4 550 2030

Contact address: Level 6/154 Featherston St, Wellington, 6011

This standard was published in the *Gazette* on 21 August 2026 and takes effect on 18 September 2026. There is an explanatory note at the end of this standard that includes an explanation of how and from when this standard operates

Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to NZ IAS 28)

This standard is issued under section 12(a) of the Financial Reporting Act 2013 by the New Zealand Accounting Standards Board:

(a) acting under delegated authority of the External Reporting Board (given in accordance with section 73 of the Crown Entities Act 2004); and

(b) after complying with section 22 of the Financial Reporting Act 2013.

CONTENTS

Title

0.1 This standard is the *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to NZ IAS 28)*.

Commencement

0.2 This standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019 (see section 27 of the Financial Reporting Act 2013).

Principal standard

0.3 This standard amends the New Zealand International Accounting Standard 28 *Investments in Associates and Joint Ventures* **(NZ IAS 28)**.

How amendments are made

0.4 In this standard, text in the principal standard is deleted or inserted as follows:

(a) text that is shown as ~~struck out~~ is deleted from the stated provision of the principal standard

(b) text that is shown as <u>underlined</u> is inserted into the provision, or is inserted as a new provision, of the principal standard

Any other text included in this standard is only for the purposes of identifying these amendments within the principal standard.

Application

0.5 The accounting periods in relation to which this standard commences to apply are:

(a) For an **early adopter**, those accounting periods following, and including, the **early adoption accounting period**.

(b) For any other reporting entity, those accounting periods following, and including, the first accounting period for the entity that begins on or after the **1 January 2027**.

0.6 In paragraph 0.5:

early adopter means a reporting entity that is an early adopter under NZ IFRS 18 *Presentation and Disclosure in Financial Statements*

early adoption accounting period means an accounting period that is an early adoption accounting period under NZ IFRS 18 *Presentation and Disclosure in Financial Statements.*

Amendments to NZ IAS 28 *Investments in Associates and Joint Ventures*

Paragraphs 18 and 19 amended

18 When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, ~~or a~~ mutual fund, unit trust <u>or</u> ~~and~~ similar <u>entity</u> ~~entities including investment-linked insurance funds~~, the entity may elect to measure that investment at fair value through profit or loss in accordance with NZ IFRS 9. <u>Similar entities include entities that have a main business activity of investing in particular types of assets (see paragraph 49(a) of NZ IFRS 18).</u> ~~An example of an investment-linked insurance fund is a fund held by an entity as the underlying items for a group of insurance contracts with direct participation features. For the purposes of this election, insurance contracts include investment contracts with discretionary participation features.~~ An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture. ~~(See NZ IFRS 17 *Insurance Contracts* for terms used in this paragraph that are defined in that Standard.)~~

19 When an entity has an investment in an associate, a portion of which is held indirectly through a venture capital organisation, ~~or a~~ mutual fund, unit trust <u>or</u> ~~and~~ similar <u>entity</u> ~~entities including investment-linked insurance funds~~, the entity may elect to measure that portion of the investment in the associate at fair value through profit or loss in accordance with NZ IFRS 9 regardless of whether the venture capital organisation, ~~or the~~ mutual fund, unit trust <u>or</u> ~~and~~ similar <u>entity</u> ~~entities including investment-linked insurance funds,~~ has significant influence over that portion of the investment. If the entity makes that election, the entity shall apply the equity method to any remaining portion of its investment in an associate that is not held

through a venture capital organisation, ~~or a~~ mutual fund, unit trust or ~~and~~ similar entity ~~entities including investment-linked insurance funds~~.

Paragraph 45M added

45M *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to NZ IAS 28)*, issued in August 2026, amended paragraphs 18 and 19 (the **2026 amendments**). An entity shall apply the 2026 amendments in accordance with paragraph C7 of NZ IFRS 18 when it applies NZ IFRS 18. However, if an entity has elected to apply NZ IFRS 18 for an earlier period in accordance with paragraph C1 of NZ IFRS 18, and that period begins before the 2026 amendments take effect, the entity shall apply the 2026 amendments, in accordance with paragraph C7 of NZ IFRS 18, for the first reporting period ending on or after the 2026 amendments take effect.

Issued at Wellington on 17 August 2026

Dr Carolyn Cordery

Chair

New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board

EXPLANATORY NOTE AND OTHER INFORMATION

This note and other information is not part of the standard

Explanatory note

This standard is the *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to NZ IAS 28)*.

It makes amendments to the principal standard NZ IAS 28 *Investments in Associates and Joint Ventures* by amending the scope of entities that are eligible to measure investments in associates and joint ventures at fair value through profit or loss in accordance with NZ IFRS 9 *Financial Instruments* (the fair value option).

This standard applies to the accounting periods in relation to which NZ IFRS 18 applies. That is, application of the amendments is required for accounting periods beginning on or after 1 January 2027.

The paragraph numbering within this Amendment Standard refers to the paragraph numbering of the Principal Standard as issued. The footnote numbering within this Amendment Standard may be adjusted consecutively rather than referring to the footnote numbering of the Principal Standard as issued. Accordingly, some paragraph and footnote numbering may not align with the compilation of the standard as published from time to time by the XRB on its website.

This standard was issued by the New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board.

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International Accounting Standards Board
Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD, United Kingdom.
Tel: +44 (0) 20 7246 6410
Email: info@ifrs.org Web: www.ifrs.org

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Consistency with principles of responsible regulation

The External Reporting Board provides the following document relating to its review of this secondary legislation, and its process for developing it, for consistency with the principles of responsible regulation under the Regulatory Standards Act 2025:

- A consistency accountability statement on 18 August 2026:
- A copy of this document can be found at https://www.xrb.govt.nz/about-xrb/legislation/consistency-accountability-statements/cas-amendments-to-nz-ias-28

The External Reporting Board considers that a statement from the maker under section 14(1)(b) of the Regulatory Standards Act 2025 is not required for this secondary legislation.

Minimum Legislative Information

This standard is secondary legislation published under the Legislation Act 2019.

Title	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to NZ IAS 28)
Principal or amendment	Amendment
Consolidated version	No
Empowering Act and provisions	Section 12(a) of the Financial Reporting Act 2013
Replacement empowering Act and provision	
Maker name	New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board
Administering agency	External Reporting Board
Date made	17 August 2026
Publication date	21 August 2026
Notification date	21 August 2026
Commencement date	18 September 2026
End date	
Consolidation as at date	
Related instruments (unofficial XRB consolidation)	NZ IAS 28 *Investments in Associates and Joint Ventures*