

CPA Canada handbook – accounting, part I

highlight summary no. I.28

November 2014

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (amended in 2011) have been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in September 2014. The amendments include requiring a full gain or loss to be recognized when a transaction between an investor and its associate or joint venture involves assets that constitute a business. The amendments also require that a partial gain or loss be recognized when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business.

The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

IAS 27 *Separate Financial Statements* (amended in 2011) has been revised to incorporate amendments issued by the IASB in August 2014. The amendments permit an entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

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