



International Accounting Standards Board®

Press Release

FOR IMMEDIATE RELEASE

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IASB publishes Discussion Paper on fair value measurements

The International Accounting Standards Board (IASB) today published for public comment a discussion paper setting out its preliminary views on providing consistency in the measurement of fair value, when already prescribed under existing International Financial Reporting Standards (IFRSs).

The proposal is aimed at addressing requests from a number of interested parties seeking additional guidance on the measurement of fair value. The proposals would not introduce new measurements at fair value. IFRSs already require some assets, liabilities and equity instruments to be measured at fair value in some circumstances. However, guidance on measuring fair value is dispersed throughout IFRSs and is not always consistent. The IASB believes that establishing a concise definition of fair value and a single source of guidance for all fair value measurements required by IFRSs will both simplify IFRSs and improve the quality of fair value information included in financial reports. The IASB therefore added this topic to its agenda in September 2005.

In the United States the Financial Accounting Standards Board (FASB) has recently issued an accounting standard, SFAS 157 *Fair Value Measurements*, on which work was well advanced before the IASB launched its own project. SFAS 157 establishes a single definition of fair value together with a framework for measuring fair value for financial reports prepared in accordance with US generally accepted accounting principles (US GAAP). Consistently with its commitment to the convergence of IFRSs and US GAAP, the IASB decided to use the US standard as the starting point for its own deliberations. Today's discussion paper is the first stage of the IASB's project.

Introducing the discussion paper, Sir David Tweedie, IASB Chairman, said:

The use of fair value in financial reporting is of great interest to preparers, auditors, users and regulators. We believe that an essential ground-clearing step in the debate is to establish a clear international definition of fair value and a consistent framework for measuring it. This discussion paper is not about expanding the use of fair value in financial reporting, but about how to codify, clarify and simplify the guidance that is at present dispersed widely in IFRSs. We are therefore keen to receive views on the ideas set out in the paper.

The IASB invites comments on the discussion paper by 2 April 2007. When the responses have been considered the IASB plans to publish in 2008 an exposure draft of an IFRS on fair value measurements.

The primary means of publishing discussion papers is by electronic format through the IASB's subscriber Website. Subscribers are able to access today's publication through the 'eIFRS Login' to online services or go to the link: <http://eifrs.iasb.org/eifrs/Menu>. Those wishing to subscribe should go to the IASCF shop: <http://shop.iasb.org.uk/cmt/0001.asp> or contact:

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Printed copies of the Discussion Paper *Fair Value Measurements* (ISBN for the set 1-905590-21-0) will be available shortly, at £10.00 each, from the IASCF shop: <http://shop.iasb.org.uk/cmt/0001.asp> or contact the IASC Foundation Publications Department.

From 11 December, the text of the Discussion Paper will be available freely from the IASB's Website.

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Notes to Editors***About the project***

The IASB added this project to its agenda in September 2005. The project is included in the Memorandum of Understanding with the FASB. The objective of the project is to develop a single set of guidance that will apply to all fair value measurements required by IFRSs. The Fair Value Measurements project is not a means of expanding the use of fair value in financial reporting. Rather, the objective of the project is to codify, clarify and simplify existing guidance that is dispersed widely in IFRSs.

About the IASB

The International Accounting Standards Board (IASB), based in London, began operations in 2001. Contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations fund the operations of the IASB.

The 14 Board members (12 of whom are full-time) are drawn from nine countries and have wide international experience and a variety of functional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.