



International Accounting Standards Board®

Press Release

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IASB publishes draft guidance on fair value measurement

The International Accounting Standards Board (IASB) today published for public comment an exposure draft of draft guidance on fair value measurement.

If adopted, the proposals would replace fair value measurement guidance contained in individual International Financial Reporting Standards (IFRSs) with a single, unified definition of fair value, as well as further authoritative guidance on the application of fair value measurement in inactive markets. The proposals deal with how fair value should be measured when it is already required by existing standards. They do not extend its use in any way.

To ensure consistency between IFRSs and US generally accepted accounting principles (GAAP), the proposals incorporate recent guidance on fair value measurement published by the US Financial Accounting Standards Board (FASB) and are consistent with a report of the IASB's Expert Advisory Panel published in October 2008 on fair value measurement in illiquid markets.

This project forms part of a long-term programme by the IASB and the FASB to achieve convergence of IFRSs and US GAAP, as described in the boards' Memorandum of Understanding published in September 2008. It is also consistent with requests from G20 leaders to align fair value measurement in IFRSs and US GAAP.

The IASB's starting point in developing the exposure draft was the equivalent US standard, SFAS 157 *Fair Value Measurements* as amended. The proposed definition of fair value is identical to the definition in SFAS 157 and the supporting guidance is also largely consistent with US GAAP.

Introducing the exposure draft, Sir David Tweedie, Chairman of the IASB, said:

This exposure draft is an important milestone in our response to the global financial crisis. It proposes clear and consistent guidance for the measurement of fair value and also addresses valuation issues arising in markets that have become inactive.

The proposed guidance ensures consistency with US GAAP on issues related to fair value measurement and would achieve overall convergence with US GAAP.

The proposals are set out in the exposure draft *Fair Value Measurement* which is open for comment until **28 September 2009**. The exposure draft is available on the 'Open for Comment' section on www.iasb.org. The IASB will hold a webcast to introduce the proposals in the exposure draft and will announce details on its website in due course.

For more information about the IASB's response to the financial crisis, visit www.iasb.org/financial+crisis

Printed copies of the exposure draft (ISBN 978-1-907026-10-2) will be available shortly, at £12 plus shipping, from:

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Notes for editors

About the IASB

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. Its 14 members (13 of whom are full-time) are drawn

from nine countries and have a variety of professional backgrounds. They are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience.