

International Financial Reporting Standard

Fair Value Measurement

May 2011

BASES FOR CONCLUSIONS – AMENDMENTS

[IFRS 1, 3, 4, 5, 7 & 9 and IAS 1, 19, 27, 28, 31, 36, 38, 39, 40 & 41 and IFRIC 14 & 17 and SIC 31 & 32]

[Related to AASB 2011-8]

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Appendix

Amendments to the Basis for Conclusions on other IFRSs

This appendix contains amendments to the Basis for Conclusions on other IFRSs that are necessary in order to ensure consistency with IFRS 13 and the related amendments to other IFRSs. Amended paragraphs are shown with new text underlined and deleted text struck through.

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

- BCA1 In paragraph BC37(a) the first reference to ‘fair value’ is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IFRS 3 *Business Combinations*

- BCA2 In paragraph BC197 ‘the definition of fair value’ is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA3 The heading above paragraph BC246 is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value.
- BCA4 Paragraph BC246 is footnoted as follows:
- * IFRS 13, issued in May 2011, is the result of the IASB’s and the FASB’s joint project on fair value measurement. As a result, the definition of fair value in IFRSs is identical to the definition in US GAAP (Topic 820 *Fair Value Measurement in the FASB Accounting Standards Codification*[®] codified SFAS 157).
- BCA5 Paragraph BC262 is footnoted as follows:
- * IFRS 13, issued in May 2011, describes the concept of highest and best use and provides examples of its application in a business combination.

- BCA6 In paragraph BC306 ‘the definitions of fair value’ is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value and describes the effect that transaction costs have on a fair value measurement.
- BCA7 Paragraph BC336 is footnoted as follows:
- * The combination of IFRS 3 and IFRS 13, issued in May 2011, provides guidance for measuring the fair value of an acquirer’s interest in the acquiree (including mutual entities).
- BCA8 In paragraph BC422 the second sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, requires disclosures about fair value measurements after initial recognition. Although the disclosures required by IFRS 13 are not required for IFRS 3, the wording has been aligned.

IFRS 4 Insurance Contracts

- BCA9 In paragraph BC6(c) ‘the definition of fair value’ is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA10 The footnote to paragraph BC7 is amended as follows:
- * The Board completed the second phase of its project on business combinations in 2008 by issuing a revised IFRS 3 *Business Combinations* and an amended version of IAS 27 *Consolidated and Separate Financial Statements*. IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA11 In paragraph BC153 ‘how fair value should be defined and determined’ is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA12 Paragraph BC185(f) is footnoted as follows:
- * IFRS 13, issued in May 2011, states that the fair value of a liability reflects the effect of non-performance risk, which includes, but may not be limited to, an entity’s own credit risk.

BCA13 In paragraph BC225(a) ‘how to determine fair value’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

BCA14 In paragraph BC13 the footnote to ‘IAS 41 *Agriculture*’ is amended as follows:

- * In *Improvements to IFRSs* issued in May 2008 the Board amended IAS 41: the term ‘estimated point-of-sale costs’ was replaced by ‘costs to sell’. IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA15 Paragraph BC80(b) is footnoted as follows:

- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IFRS 7 Financial Instruments: Disclosures

BCA16 The heading above paragraph BC36 is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains requirements for measuring fair value and for disclosing information about fair value measurements. As a consequence paragraphs 27–27B of IFRS 7 have been deleted.

BCA17 In paragraph BC37 ‘unquoted equity instruments’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 and IFRS 9 refer to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

- BCA18 In paragraph BC37 ‘fair value cannot be measured reliably’ is footnoted as follows:
- * IFRS 9, issued in November 2009, amended the measurement requirements for investments in equity instruments.
- BCA19 The first sentence of paragraph BC38 is footnoted as follows:
- * IFRS 13, issued in May 2011, resulted in paragraph 27B(e) of IFRS 7 being deleted.
- BCA20 Paragraph BC39A is footnoted as follows:
- * IFRS 13, issued in May 2011, contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value and for the related disclosures.
- BCA21 Paragraph BC39B is footnoted as follows:
- * IFRS 13, issued in May 2011, contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value and for the related disclosures. That hierarchy is identical to the hierarchy in Topic 820 *Fair Value Measurement* in the *FASB Accounting Standards Codification*[®], which codified SFAS 157.
- BCA22 In paragraph BC39C ‘IAS 39’ is footnoted as follows:
- * IFRS 13, issued in May 2011, contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value and for the related disclosures.
- BCA23 Paragraph BC39D is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a result paragraphs AG71–AG73 and paragraph AG76A of IAS 39 have been deleted. In addition, the requirements in paragraph AG76A have been relocated to paragraph AG76(b).
- BCA24 In paragraph BC39F the first sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, requires disclosures about fair value measurements. As a consequence paragraphs 27–27B of IFRS 7 have been deleted.
- BCA25 Paragraph BC39G is footnoted as follows:
- * IFRS 13, issued in May 2011, resulted in paragraph 27 of IFRS 7 being deleted.

IFRS 9 *Financial Instruments* (issued November 2009)

BCA26 In paragraph BC17 ‘the fair value hierarchy’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value and for disclosing information about fair value measurements. IFRS 13 contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value and for the related disclosures. As a consequence paragraph 27A of IFRS 7 has been deleted.

BCA27 In paragraph BC18 ‘IFRS 7’ is footnoted as follows:

- * IFRS 13, issued in May 2011, requires disclosures about fair value measurements. As a consequence paragraph 27B(c) and (d) of IFRS 7 has been deleted.

BCA28 In the heading above paragraph BC75 and in paragraph BC79(b) ‘unquoted equity instruments’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

BCA29 In paragraph BC101 ‘unquoted equity instrument’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

BCA30 In the appendix of amendments to the Basis for Conclusions on other IFRSs, in paragraph BCA25 the amendment to paragraph BC29 of the Basis for Conclusions accompanying IFRIC 17 *Distributions of Non-cash Assets to Owners* is amended as follows:

- * IFRS 9 *Financial Instruments*, issued in November 2009, amended paragraphs AG80 and AG81 of IAS 39 so that they apply only to

derivatives on unquoted equity instruments. IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains requirements for measuring fair value. IFRS 13 defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

IFRS 9 *Financial Instruments* (issued October 2010)

BCA31 In paragraph BC4.10 ‘the fair value hierarchy’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains requirements for measuring fair value and for disclosing information about fair value measurements. IFRS 13 contains a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value and for the related disclosures. As a consequence paragraph 27A of IFRS 7 has been deleted.

BCA32 In paragraph BC4.11 ‘IFRS 7’ is footnoted as follows:

- * IFRS 13, issued in May 2011, requires disclosures about fair value measurements. As a consequence paragraph 27B(c) and (d) of IFRS 7 has been deleted.

BCA33 In paragraph BC4.53 ‘unquoted equity instruments’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

BCA34 The heading above paragraph BCZ5.1 is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence paragraphs 5.4.1–5.4.3 and B5.4.1–B5.4.13 of IFRS 9 have been deleted.

- BCA35 In paragraph BCZ5.4 ‘most advantageous active market’ is footnoted as follows:
- * IFRS 13, issued in May 2011, states that a fair value measurement assumes that the transaction to sell an asset or to transfer a liability takes place in the principal market, or in the absence of a principal market, the most advantageous market for the asset or liability.
- BCA36 In paragraph BCZ5.5 the first sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, states that fair value is measured using the price within the bid-ask spread that is most representative of fair value in the circumstances.
- BCA37 Paragraph BCZ5.6 is footnoted as follows:
- * IFRS 13, issued in May 2011, permits an exception to the fair value measurement requirements when an entity manages its financial assets and financial liabilities on the basis of the entity’s net exposure to market risks or the credit risk of a particular counterparty, allowing the entity to measure the fair value of its financial instruments on the basis of the entity’s net exposure to either of those risks.
- BCA38 In paragraph BCZ5.9 ‘fair value measurement hierarchy’ is footnoted as follows:
- * IFRS 13, issued in May 2011, contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value.
- BCA39 In paragraph BCZ5.10 ‘the best evidence of fair value’ is footnoted as follows:
- * IFRS 13, issued in May 2011, describes when a transaction price might not represent the fair value of an asset or a liability at initial recognition.
- BCA40 Paragraph BCZ5.10 is footnoted as follows:
- * FASB Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (SFAS 157) superseded EITF Issue No. 02-3 *Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Involved in Energy Trading and Risk Management Activities* (Topic 820 *Fair Value Measurement in the FASB Accounting Standards Codification*® codified SFAS 157). As a result, IFRSs and US GAAP have different requirements for when an entity may recognise a

gain or loss when there is a difference between fair value and the transaction price at initial recognition.

- BCA41 The heading above paragraph BCZ5.11 is footnoted as follows:
- * IFRS 13, issued in May 2011, resulted in the relocation of paragraphs BCZ5.11 and BCZ5.12 of IFRS 9 to paragraphs BCZ102 and BCZ103 of IFRS 13. As a consequence minor necessary edits have been made to that material.
- BCA42 Paragraphs BCZ5.11 and BCZ5.12 are deleted.
- BCA43 In the heading above BC5.13 ‘unquoted equity instruments’ is footnoted as follows:
- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.
- BCA44 Paragraph BC5.17(a) is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA45 Paragraph BC5.17(b) is footnoted as follows:
- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.
- BCA46 In paragraph BC5.20 ‘unquoted equity instruments’ is footnoted as follows:
- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

- BCA47 Paragraph BC5.34A is added as follows:
- BC5.34A IFRS 13, issued in May 2011, includes requirements for measuring the fair value of a liability issued with an inseparable third-party credit enhancement from the issuer's perspective.
- BCA48 In paragraph BC7.15 'unquoted equity instrument' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IFRS 9 refers to such equity instruments as 'an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)'.
- BCA49 In the appendix of amendments to the Basis for Conclusions on other IFRSs, in paragraph BCA7 the amended paragraph BC39D of the Basis for Conclusions accompanying IFRS 7 *Financial Instruments: Disclosures* is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence paragraphs B5.4.3–B5.4.5 of IFRS 9 have been deleted and paragraph B5.4.9 of IFRS 9 has been relocated to paragraphs B5.1.2A and B5.2.2A.
- BCA50 In paragraph BCA20 the amended footnote to paragraph BCZ15(d) of the Basis for Conclusions accompanying IAS 36 is amended as follows:
- * The IASB's project to revise IAS 32 and IAS 39 in 2003 resulted in the relocation of the requirements on fair value measurement from IAS 32 to IAS 39. In November 2009 and October 2010 the IASB amended some of the requirements of IAS 39 and relocated them to IFRS 9 *Financial Instruments*. IFRS 9 applies to all items within the scope of IAS 39. In 2011 the IASB's project on fair value measurement resulted in the relocation of the requirements for measuring fair value to IFRS 13 *Fair Value Measurement*.
- BCA51 In paragraph BCA22 the amended footnote to paragraph BC12 of the Basis for Conclusions accompanying IAS 39 is amended as follows:
- * In November 2009 the Board amended the requirements of IAS 39 relating to classification and measurement of assets within the scope of IAS 39 and relocated them to IFRS 9 *Financial*

Instruments. In October 2010 the Board amended IFRS 9 to add the requirements for classifying and measuring financial liabilities and derecognising financial assets and financial liabilities. Those requirements were relocated from IAS 39. In 2011 the Board's project on fair value measurement resulted in the relocation of the requirements for measuring fair value to IFRS 13.

BCA52 In paragraph BCA32 the footnote to 'AG81' in paragraph BC29 of the Basis for Conclusions accompanying IFRIC 17 is amended as follows:

- * IFRS 9 *Financial Instruments*, issued in November 2009, amended paragraphs AG80 and AG81 of IAS 39 so that they apply only to derivatives on unquoted equity instruments. IFRS 9, issued in October 2010, deleted paragraphs AG80 and AG81 of IAS 39. IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains requirements for measuring fair value. IFRS 13 defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 and IFRS 9 refer to such equity instruments as 'an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)'.

IAS 1 Presentation of Financial Statements

BCA53 Paragraph BC83 is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IAS 19 Employee Benefits

BCA54 Paragraph BC3(i) is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA55 In paragraph BC69 'arm's length transaction' is footnoted as follows:

- * IFRS 13, issued in May 2011, defines fair value, describes the effect transaction costs have on a fair value measurement and addresses the application of bid and ask prices when measuring fair value.

IAS 27 Consolidated and Separate Financial Statements

- BCA56 In paragraph BC22 the first sentence is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA57 In paragraph BC66 the first reference to 'fair value' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA58 In paragraph BC66B 'fair value less costs to sell' is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.

IAS 28 Investments in Associates

- BCA59 In paragraph BC7 the first sentence is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IAS 31 Interests in Joint Ventures

- BCA60 The heading above paragraph BC7 is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

IAS 36 Impairment of Assets

- BCA61 At the end of the rubric above paragraph BC1 a paragraph is added as follows:
- In developing IFRS 13 Fair Value Measurement, issued in May 2011, the Board changed the definition of fair value less costs to sell. As a consequence all references to 'fair value less costs to sell' in IAS 36 were replaced with 'fair value less costs of disposal'. This Basis for Conclusions has not been amended to reflect that change.*

- BCA62 Paragraph BCZ10(b) is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value. As a result the term 'market value' has been changed to 'fair value'.
- BCA63 In paragraph BCZ11(a) 'fair value' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA64 In paragraph BCZ14 'fair value' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value as an exit price.
- BCA65 In paragraph BCZ15 the first reference to 'fair value' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value. As a consequence the relevant requirements in IAS 16 and IAS 39 have been deleted from those Standards.
- BCA66 In paragraph BCZ15(d) the footnote reference is amended as follows:
- * The IASB's project to revise IAS 32 and IAS 39 in 2003 resulted in the relocation of the requirements on fair value measurement from IAS 32 to IAS 39. In 2011 the IASB's project on fair value measurement resulted in the relocation of the requirements for measuring fair value to IFRS 13.
- BCA67 In paragraph BCZ16 the first sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, describes valuation techniques for measuring the fair value of an asset that is being used (and would not be sold) by an entity, eg a current replacement cost valuation technique.
- BCA68 Paragraph BCZ19 is footnoted as follows:
- * IFRS 13, issued in May 2011, describes the objective of a fair value measurement and the use of market participant assumptions.
- BCA69 Paragraph BC58 is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence paragraph 27 of IAS 36 has been deleted.

- BCA70 In paragraph BC68(b) 'fair value less costs to sell' is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA71 In paragraph BC69 'the Board observed that' is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence paragraphs 25–27 of IAS 36 have been deleted.
- BCA72 Paragraph BCZ99 is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA73 After paragraph BC209A a heading and paragraphs BC209B–BC209D are added as follows:

Changes as a result of IFRS 13 Fair Value Measurement

BC209B In developing IFRS 13, issued in May 2011, the Board was asked by users of financial statements to minimise the differences between the disclosures made about impaired assets in IFRSs and in US GAAP (which requires assets to be tested for impairment by comparing their carrying amount with their fair value). The Board noted that the disclosure requirements in IAS 36 were developed specifically to ensure consistency in the disclosure of information about impaired assets so that the same type of information is provided whether the recoverable amount was determined on the basis of value in use or fair value less costs of disposal. Consequently, the Board did not think it would be appropriate to require an entity to provide information when the recoverable amount is determined on the basis of fair value less costs of disposal (ie those required in IFRS 13) that is significantly different from what the entity would provide when the recoverable amount is determined on the basis of value in use.

BC209C Although IFRSs and US GAAP have different impairment models, the Board concluded that requiring the following information (in addition to what IAS 36 currently requires) about impaired assets measured at fair value less costs of

disposal would improve comparability between entities applying IFRSs and those applying US GAAP as well as increase the convergence of IFRSs and US GAAP:

- (a) the fair value less costs of disposal;
- (b) the level of the fair value hierarchy within which the fair value less costs of disposal is categorised in its entirety (Level 1, 2 or 3);
- (c) if applicable, changes to valuation techniques and reasons for those changes; and
- (d) quantitative information about significant inputs used when measuring fair value less costs of disposal (along with a conforming amendment to the disclosures about value in use).

BC209D In addition, those disclosures are consistent with the disclosures required for non-recurring fair value measurements in IFRS 13 and in US GAAP.

IAS 38 *Intangible Assets*

BCA74 In paragraph BC17 the second sentence is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA75 In paragraph BC19A ‘the asset’s fair value’ is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.

BCA76 In paragraph BC19D ‘fair value’ is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence paragraphs 40 and 41 of IAS 38 have been deleted.

BCA77 In paragraph BCZ38(c) the first reference to ‘an active market’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines an active market.

BCA78 In paragraph BCZ44(b) ‘exists for the asset’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines an active market.

- BCA79 In paragraph BC50(b) 'an active market' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines an active market.
- BCA80 In paragraph BC57(b) 'an active market' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines an active market.
- BCA81 Paragraph BC69(b) is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA82 In paragraph BC73(b) 'an active market' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines an active market.
- BCA83 In paragraph BC83(b) 'an active market' is footnoted as follows:
- * IFRS 13, issued in May 2011, defines an active market.

IAS 39 *Financial Instruments: Recognition and Measurement* (as amended at October 2009)

- BCA84 In paragraph BC89 the first reference to 'the fair value of a financial liability' is footnoted as follows:
- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.
- BCA85 Paragraph BC91 is footnoted as follows:
- * IFRS 13, issued in May 2011, describes the objective of a fair value measurement of a liability.
- BCA86 Paragraph BC92A is added as follows:
- BC92A IFRS 13, issued in May 2011, includes requirements for measuring the fair value of a liability issued with an inseparable third-party credit enhancement from the issuer's perspective.
- BCA87 The heading above paragraph BC93 is footnoted as follows:
- * IFRS 13, issued in May 2011, resulted in the relocation of paragraphs BC93 and BC94 of IAS 39 to paragraphs BCZ102 and BCZ103 of IFRS 13. As a consequence minor necessary edits have been made to that material.
- BCA88 Paragraphs BC93 and BC94 are deleted.

- BCA89 The heading above paragraph BC95 is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA90 In paragraph BC95 the first sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence in Appendix A of IAS 39 paragraphs AG69–AG75, AG76A–AG79 and AG82 have been deleted and paragraphs AG76, AG80 and AG81 have been amended.
- BCA91 In paragraph BC97 ‘fair value as defined’ is footnoted as follows:
- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.
- BCA92 In paragraph BC98 ‘the most advantageous active market’ is footnoted as follows:
- * IFRS 13, issued in May 2011, states that a fair value measurement assumes that the transaction to sell an asset or to transfer a liability takes place in the principal market, or in the absence of a principal market, the most advantageous market for the asset or liability.
- BCA93 In paragraph BC99 the first sentence is footnoted as follows:
- * IFRS 13, issued in May 2011, states that fair value is measured using the price within the bid-ask spread that is most representative of fair value in the circumstances.
- BCA94 Paragraph BC100 is footnoted as follows:
- * IFRS 13, issued in May 2011, permits an exception to the fair value measurement requirements when an entity manages its financial assets and financial liabilities on the basis of the entity’s net exposure to market risks or the credit risk of a particular counterparty, allowing the entity to measure the fair value of its financial instruments on the basis of the entity’s net exposure to either of those risks.
- BCA95 In paragraph BC103 ‘the fair value measurement hierarchy’ is footnoted as follows:
- * IFRS 13, issued in May 2011, contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value.

BCA96 In paragraph BC104 ‘the best evidence of fair value’ is footnoted as follows:

- * IFRS 13, issued in May 2011, describes when a transaction price might not represent the fair value of an asset or a liability at initial recognition.

BCA97 Paragraph BC104 is footnoted as follows:

- * FASB Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (SFAS 157) superseded EITF Issue No. 02-3 *Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Involved in Energy Trading and Risk Management Activities* (Topic 820 *Fair Value Measurement in the FASB Accounting Standards Codification*[®] codified SFAS 157). As a result, IFRSs and US GAAP have different requirements for when an entity may recognise a gain or loss when there is a difference between fair value and the transaction price at initial recognition.

BCA98 In paragraph BC105 ‘unquoted equity instruments’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 refers to such equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

IAS 40 Investment Property

BCA99 Paragraph B36 is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA100 The heading above paragraph B52 is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.

BCA101 Paragraph B53 is footnoted as follows:

- * The requirements for measuring fair value in IFRS 13, issued in May 2011, differ in some respects from the guidance for

measuring market value in accordance with IVS 1. IFRS 13 deleted paragraphs 36, 37 and 42–44 of IAS 40.

BCA102 Paragraph B54 is footnoted as follows:

- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value. As a consequence paragraphs 38, 45–47, 49 and 51 of IAS 40 have been deleted.

BCA103 Paragraph B60 is footnoted as follows:

- * IFRS 13, issued in May 2011, discusses the measurement of fair value when the volume or level of activity for an asset has significantly decreased.

BCA104 In paragraph B67(a) ‘the guidance on determining fair value was expanded, to clarify the following’ and in paragraph B67(f) ‘new disclosure requirements include’ are footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value and for disclosing information about fair value measurements. As a consequence paragraphs 37, 38, 45–47, 49, 51 and 75(d) of IAS 40 have been deleted.

IAS 41 Agriculture

BCA105 In paragraph BC5 the first reference to ‘fair value’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA106 Paragraph BC6 is footnoted as follows:

- * IFRS 13, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

BCA107 Paragraph BC8 is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value. As a consequence, paragraph 21 of IAS 41 has been deleted.

BCA108 Paragraph B22 is footnoted as follows:

- * IFRS 13, issued in May 2011, describes how transport costs are factored into a fair value measurement.

BCA109 The heading above paragraph B27 is footnoted as follows:

- * IFRS 13, issued in May 2011, defines an active market and contains a three-level fair value hierarchy for the inputs used in the valuation techniques used to measure fair value.

BCA110 Paragraph B49 is footnoted as follows:

- * IFRS 13, issued in May 2011, contains the requirements for measuring fair value.

IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

BCA111 In paragraph BC16 ‘measured on a present value basis’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value. IFRS 13 does not specify a particular valuation technique for measuring the fair value of plan assets.

IFRIC 17 Distributions of Non-cash Assets to Owners

BCA112 In paragraph BC28(a) ‘a quoted market price in an active market’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value. IFRS 13 defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 refers to unquoted equity instruments as ‘an equity instrument that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

BCA113 In paragraph BC29 ‘a quoted market price in an active market’ is footnoted as follows:

- * IFRS 13, issued in May 2011, defines a Level 1 input as a quoted price in an active market for an identical asset or liability. Level 2 inputs include quoted prices for identical assets or liabilities in markets that are not active. As a result IAS 39 refers to unquoted equity instruments as ‘an equity instrument

that does not have a quoted price in an active market for an identical instrument (ie a Level 1 input)’.

SIC-31 Revenue—*Barter Transactions Involving Advertising Services*

BCA114 In paragraph 8 the first sentence is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

SIC-32 Intangible Assets—*Web Site Costs*

BCA115 In paragraph 18 the first reference to ‘an active market’ is footnoted as follows:

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value. IFRS 13 defines an active market.