Purpose of this paper

1. The purpose of this paper is to describe the Post-implementation Review (PIR) process and provide background information on IFRS 13 together with the main changes introduced by the Standard.

2. This paper provides information on other relevant work streams in relation to fair value measurement carried out by the Board and other IFRS Foundation bodies since the publication of the Standard. The paper also provides a description of the Financial Accounting Foundation’s PIR process and results from the PIR on the fair value measurement standard in US GAAP, as IFRS 13 was the result of a convergence project.

Structure of this paper

3. The paper is structured as follows:

   (a) background to PIRs (paragraphs 6–9);

   (b) background to IFRS 13 (paragraphs 10–19);
(c) work carried out by the Board and other IFRS Foundation bodies since IFRS 13 was issued (paragraphs 20–35); and

(d) Financial Accounting Foundation’s PIR process and results (paragraphs 36-37).

4. The appendices to this paper provide an overview of the main uses of fair value in IFRS Standards and the disclosures required by IFRS 13.

5. This paper does not include questions to the Board.

**Background to PIRs**

6. The Trustees added PIRs as a mandatory step to the Board’s due process requirements in 2007. These requirements were updated in the revisions to the Board’s Due Process Handbook (the Handbook) published in June 2016.¹ The Handbook states that the PIRs ‘must consider the issues that were important or contentious during the development of the publication (which should be identifiable from the Basis for Conclusions, Project Summary, Feedback Statement and Effect Analysis of the relevant Standard), as well as issues that have come to the attention of the IASB after the document was published.’

7. The Handbook also states that a PIR “normally begins after the new requirements have been applied internationally for two years, which is generally about 30 to 36 months after the effective date” and that each review has two phases:

   6.54 […] The first involves an initial identification and assessment of the matters to be examined, which are then the subject of a public consultation by the IASB in the form of a Request for Information. In the second phase, the IASB considers the comments it has received from the Request for

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Information along with the information it has gathered through other consultative activities. On the basis of that information, the IASB presents its findings and sets out the steps it plans to take, if any, as a result of the review.

6.60 The IASB considers whether it is necessary to supplement the responses to the Request for Information with other information or evidence, such as undertaking:

(a) an analysis of financial statements or of other financial information;

(b) a review of academic and other research related to the implementation of the Standard being reviewed; and

(c) surveys, interviews and other consultations with relevant parties.

8. IFRS 8 *Operating Segments* and IFRS 3 *Business Combinations* were the first IFRS Standards to be subject to a PIR.2, 3

9. The IFRS Advisory Council recently discussed and provided advice in relation to the strategy for PIRs.4 The Advisory Council members suggested that the primary objective of a PIR should be about whether the application of a Standard is providing useful information. They also were of the view that not every Standard would necessarily need a PIR and that an assessment should be made at a high level before a full PIR is undertaken.

2 The PIR project page for IFRS 8 can be found at: [http://www.ifrs.org/Current-Projects/IASB-Projects/PIR/IFRS-8/Pages/IFRS-8.aspx](http://www.ifrs.org/Current-Projects/IASB-Projects/PIR/IFRS-8/Pages/IFRS-8.aspx)


4 February 2016 IFRS Advisory Council meeting.
Background to IFRS 13

Developing the Standard

10. The Fair Value Measurement project was added to the Board’s agenda in September 2005. Measuring fair value was identified as an area for which various IFRS Standards provided an inconsistent level of guidance. These inconsistencies contributed to diversity in practice and reduced comparability of information reported in the financial statements.

11. The FASB started a project on fair value measurement in June 2003. In September 2006, the FASB issued SFAS 157 *Fair Value Measurement* (now in Topic 820 *Fair Value Measurement*), which defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements.

12. In November 2006, the Board published a discussion paper *Fair Value Measurement*.5 The discussion paper used SFAS 157 as a basis for its preliminary views because of the consistency of SFAS 157 with the existing fair value measurement guidance in IFRS Standards and the need for increased convergence between IFRS Standards and US GAAP.

13. In May 2009, the Board published the exposure draft *Fair Value Measurement*, which proposed a definition of fair value, a framework for measuring fair value and disclosures about fair value measurements.6

14. The Board and FASB (the boards) agreed to work together in October 2009 at their joint meeting under their Memorandum of Understanding.7 The boards concluded

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5 The Discussion Paper and comment letters can be found at: [http://www.ifrs.org/Current-Projects/IASB-Projects/Fair-Value-Measurement/DP/Pages/DPNov06.aspx](http://www.ifrs.org/Current-Projects/IASB-Projects/Fair-Value-Measurement/DP/Pages/DPNov06.aspx)

6 The Exposure Draft and comment letters can be found at: [http://www.ifrs.org/Current-Projects/IASB-Projects/Fair-Value-Measurement/ED/Pages/ED.aspx](http://www.ifrs.org/Current-Projects/IASB-Projects/Fair-Value-Measurement/ED/Pages/ED.aspx)

that common requirements for fair value measurement and disclosures would improve the comparability of financial statements, reduce diversity in practice and simplify financial reporting.

15. In January 2010, the boards began their joint discussions which were focused on the following:
   (a) differences between the requirements in Topic 820 and the proposals in the Board’s May 2009 exposure draft;
   (b) comments received on the Board’s May 2009 exposure draft; and
   (c) feedback received on the implementation of Topic 820.

16. In June 2010, the FASB issued a proposed Accounting Standards Update (ASU) *Fair Value Measurement and Disclosures (Topic 820): Amendments for Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* Also, in June 2010, the Board re-exposed a proposed requirement to disclose unobservable inputs used in fair value measurement (*Measurement Uncertainty Analysis Disclosure for Fair Value Measurements*). The boards proposed to require a measurement uncertainty analysis disclosure that included the effect of any interrelationships between unobservable inputs (which had not been included in the Board’s May 2009 exposure draft).

17. The project was completed in May 2011 when the Board issued IFRS 13. The Standard is substantially converged with the US GAAP Topic 820 which was also amended in May 2011 to reflect the work completed (see Agenda Paper 7B for more details on convergence).

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8 The proposed Accounting Standards Update can be found at: http://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176156961629&acceptedDisclaimer=true
9 The Exposure Draft and comment letters can be found at: http://www.ifrs.org/Current-Projects/IASB-Projects/Fair-Value-Measurement/ED/Pages/ED.aspx
Main changes brought in by the Standard

18. IFRS 13 became effective on 1 January 2013. IFRS 13 defines fair value, sets out in a single IFRS Standard a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS Standard requires or permits an item to be measured at fair value (with limited exceptions). The appendix to this paper illustrates this matter.

19. The main changes introduced by IFRS 13 are as follows:

(a) A revised definition of fair value that:

   (i) provides clarification on fair value as an exit price. The previous definition of fair value did not specify whether an entity was buying or selling an asset. In the case of liabilities, the previous definition did not clarify what was meant by settling a liability because it did not refer to the creditor, but to knowledgeable, willing parties. According to IFRS 13, an exit price is always a relevant definition of fair value for assets and liabilities, regardless of whether an entity intends to use an asset or sell it or whether it intends to fulfil a liability or transfer it to another party that will fulfil it.

   (ii) conveys more clearly that fair value is a market-based measurement and not an entity-specific measurement. Fair value reflects current market conditions which reflect market participants’, not the entity’s, current expectations about future market conditions.

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10 The Feedback Statement also lays out the main changes introduced by the Standard http://www.ifrs.org/Documents/FairValueMeasurementFeedbackstatement_May2011.pdf
11 IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
12 The previous definition of fair value in IFRS Standards was: ‘The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.’
(iii) states explicitly whether the exchange or settlement takes place at the measurement date or at some other date.

(b) The definition of the concepts that are the foundation of the fair value framework in which a hypothetical and orderly exchange transaction takes place. Some of these concepts are market participants, orderly transaction, principal market and most advantageous market.

(c) The application of the concept of highest and best use (HBU) to the fair value measurement of non-financial assets. IFRS 13 requires an entity to measure a non-financial asset by considering the use by market participants that would maximise the value of the asset or the group of assets and liabilities (e.g., a business) within which the asset would be used.

(d) The requirement that the fair value of a liability reflects the effect of non-performance risk. IFRS 13 states that non-performance risk includes, but may not be limited to, an entity’s own credit risk. Before IFRS 13, there was inconsistent application of an entity’s own credit risk (see paragraphs BC92–BC93 of IFRS 13).

(e) The establishment of an explicit the fair value hierarchy (i.e., Level 1, Level 2 and Level 3 inputs). Previously many IFRS Standards already contained an implicit fair value hierarchy by referring to observable market transactions or measuring fair value using a valuation technique.

(f) Guidance on valuation technique(s) to be used when measuring fair value. IFRS 13 requires that an entity use the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising unobservable inputs.

(g) Portfolio exception. IFRS 13 provides more explicit requirements and guidance for entities to consider the effects of offsetting positions when market risks are substantially the same or when there is an arrangement
with a counterparty that mitigates credit risk exposure in the event of default.

(h) Guidance on measuring fair value when the volume or level of activity for an asset or a liability has significantly decreased. The global financial crisis highlighted the need for the fair value measurement guidance to address specifically how to measure fair value when the activity in the market for an asset or liability declined (ie when markets become inactive).

(i) Enhancement and harmonisation of the disclosures about fair value measurements. Previously, the disclosures about fair value measurements varied across IFRS Standards. The objective of the disclosures in IFRS 13 is to provide users with information about the valuation techniques and inputs used to develop fair value measurements and how fair value measurements using significant unobservable inputs affected profit or loss or other comprehensive income for the period. To meet the objective, IFRS 13 has more extensive disclosure requirements for Level 3 measurements and even more so for assets and liabilities measured at fair value on a recurring basis.

Work completed by the Board and other IFRS Foundation bodies since IFRS 13 was issued

20. Since the issuance of IFRS 13, the Board and other IFRS Foundation bodies have undertaken the following work in relation to fair value measurement:

(a) issues discussed by the Board (paragraphs 21–33);

(b) issues discussed by the Interpretations Committee (paragraph 34); and

(c) non-authoritative educational material (paragraph 35).

Issues discussed by the Board

21. This section is structured as follows:
(a) the project on the unit of account; and
(b) annual improvements issued by the Board.

The project on the unit of account

22. The Board received questions on the unit of account for investments in subsidiaries, joint ventures and associates and on their fair value measurement when those investments were quoted in an active market. The Board also received questions on the measurement of the recoverable amount of cash-generating units (CGUs) on the basis of fair value less costs of disposal when they corresponded to entities that were quoted in an active market. The Board was also asked to address different views about how an entity should measure the fair value of an entity’s net exposure to market risks arising from a group of Level 1 financial assets and financial liabilities whose market risks are substantially the same (i.e. the application of the portfolio exception in paragraph 48 of the Standard for that specific case).

23. To address those questions, the Board published the Exposure Draft Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value (the Exposure Draft) in September 2014.13

24. The Exposure Draft proposed:

(a) that the unit of account for investments within the scope of IFRS 10, IAS 27 and IAS 28 was the investment as a whole rather than the individual financial instruments included within that investment;

(b) to amend IFRS 10, IFRS 12, IAS 27 and IAS 28 to clarify that the fair value measurement of quoted investments in subsidiaries, joint ventures and associates should be the product of the quoted price (P) multiplied by the quantity of financial instruments held (Q), or P \times Q, without adjustments;

(c) to align the fair value measurement of a quoted CGU to the fair value measurement of a quoted investment by amending IAS 36 to clarify that the recoverable amount of a CGU that corresponds to a quoted entity measured on the basis of fair value less costs of disposal should be the product of the quoted price (P) multiplied by the quantity of financial instruments held (Q), or P × Q, without adjustments;

(d) to include an illustrative example to IFRS 13 to illustrate the application of the portfolio exception of that Standard to a group of financial assets and financial liabilities whose market risks are substantially the same and whose fair value measurement is categorised within Level 1 of the fair value hierarchy. The example illustrated that the fair value of an entity’s net exposure to market risks arising from such a group of financial assets and financial liabilities is to be measured in accordance with the corresponding Level 1 prices.

25. Most of the respondents agreed that the unit of account for investments within the scope of IFRS 10, IAS 27 and IAS 28 should be the investment as a whole. However, many respondents disagreed that the fair value measurement of these investments when they were quoted should be based on the product of the quoted price (P) multiplied by the quantity of financial instruments held (Q), ie P × Q. The following reasons were given:

(a) there is no Level 1 input for the unit of account to be measured at fair value (ie the investment as a whole);

(b) a measurement on the basis of P × Q does not consider key characteristics of the asset being measured, does not reflect fair value and does not result in relevant information;

(c) P may not be the appropriate input to measure the fair value of a quoted investment;

(d) inconsistencies between the measurement of quoted and unquoted investments at fair value;
(e) \( P \times Q \) results in a Day 1 gain or loss when the acquisition price includes a premium or a discount; and

(f) in some specific circumstances the measurements resulting from \( P \times Q \) are potentially misleading.

26. Most of the respondents agreed that the fair value measurement of a CGU that corresponds to an entity that is quoted in an active market (‘a quoted CGU’) should be aligned to the fair value measurement of that quoted investment. Similar to quoted investments and the reasoning above the respondents commented that \( P \times Q \) would not provide the most appropriate measurement when measuring the recoverable amount of quoted CGUs on the basis of fair value less costs of disposal.

27. In relation to the illustrative example proposed to illustrate the application of the portfolio exception of IFRS 13 to the specific case received, many respondents agreed that the proposed illustrative example for IFRS 13 appropriately illustrated the application of the portfolio exception in IFRS 13. At its meeting in April 2015, the Board noted that the proposed illustrative example would be non-authoritative and the comments received did not reveal significant diversity in practice. Accordingly, the Board concluded that it was unnecessary to publish the proposed illustrative example in IFRS 13 as a separate document.

28. At its meeting in July 2015, the Board discussed potential directions for the project. On the basis of the comments received, the Board decided that further research should be undertaken with respect to the fair value measurement proposals for quoted investments and quoted CGUs in the Exposure Draft to obtain more information. For that purpose, the staff undertook outreach with accounting firms, users, preparers, European Securities and Markets Authority (ESMA), International Organization of Securities Commissions (IOSCO), valuation firms and the Accounting Standards
Advisory Forum (‘ASAF’). The staff also carried an academic literature review on this matter.\textsuperscript{14}

29. The Board discussed the findings of this research exercise at its meeting in November 2015.\textsuperscript{15} The research findings were consistent with the feedback received in the Exposure Draft. Thus in January 2016, the Board decided that the PIR would be a better setting for considering the feedback provided by many of the constituents concerning the lack of relevance of the resulting proposed measurements not only for investments within the scope of the Exposure Draft but also for investments beyond the scope of the Exposure Draft (for example, holdings within the scope of IFRS 9).\textsuperscript{16}

30. During those meetings, the Board also discussed that on the basis of the work performed there was not strong evidence that the issue was widespread or that there was divergence in practice that needed to be dealt with by amendments to IFRS 13.\textsuperscript{17} However, the Board was also aware that the population of entities assessed to understand the pervasiveness of the issue only covered the case of quoted investments held by investment entities. As a result, that assessment did not cover entities that would be affected by the measurement proposals because of having to measure, for example, the fair value of:

(a) previously held quoted equity interests in an acquiree and the fair value measurement of non-controlling interests when those are quoted in an active market in accordance with IFRS 3 \textit{Business Combinations};

\textsuperscript{14} The Agenda Paper can be found at: \url{http://www.ifrs.org/Meetings/MeetingDocs/IASB/2016/January/AP06B-FVM.pdf}

\textsuperscript{15} The November Agenda Papers can be found at: \url{http://www.ifrs.org/Current-Projects/IASB-Projects/FVM-unit-of-account/Pages/Discussion-and-papers-Stage-2.aspx}

\textsuperscript{16} The January Agenda Papers can be found at: \url{http://www.ifrs.org/Current-Projects/IASB-Projects/FVM-unit-of-account/Pages/Discussion-and-papers-Stage-2.aspx}

\textsuperscript{17} The Agenda Paper can be found at: \url{http://www.ifrs.org/Meetings/MeetingDocs/IASB/2016/January/AP06C-FVM.pdf}
(b) quoted investments within the scope of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*; or

(c) quoted retained interests resulting from an entity losing control of a subsidiary in accordance with IFRS 10 *Consolidated Financial Statements*.

31. In addition, the Board decided it would consider further work on this topic if the PIR identified this as a critical area in which entities had encountered significant problems when implementing the Standard. The Board identified this as a critical area in which entities had encountered significant problems when implementing the Standard. 

Agenda Paper 7C summarises the feedback received on this issue during the first phase of the PIR of IFRS 13.

**Annual improvements issued by the Board**

32. After the Standard was issued, the Board amended IFRS 13 to clarify two matters through annual improvements. These amendments did not change the original requirements and are as follows:

(a) Short-term receivables and payables—As a consequential amendment of issuing IFRS 13, paragraphs B5.4.12 and AG79 in IFRS 9 and IAS 39 were deleted. The Board was made aware that this amendment was being perceived as changing requirements. The Board clarified in the annual improvement that it did not intend to change the requirements to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, when the effect of not discounting was immaterial. The clarification was carried out through an amendment to the Basis for Conclusions of IFRS 13 (paragraph BC138A of IFRS 13).

(b) Scope of the portfolio exception—The Board amended the scope of the portfolio exception (paragraph 52) to clarify that the portfolio exception

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applies to all contracts within the scope of, and accounted in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32.\textsuperscript{20}

33. Other than the amendments arising from the annual improvements described in paragraph 32, there have been no substantive amendments to IFRS 13 since its issuance.

*Issues discussed by the Interpretations Committee*

34. The Interpretations Committee and the Board discussed the following matters regarding IFRS 13:

(a) In May 2012, the Interpretations Committee discussed a request seeking clarification on the application of paragraph 25 of IAS 41 *Agriculture* dealing with a residual method as a possible valuation technique to measure the fair value of biological assets physically attached to land if the biological assets have no separate market but an active market does exist for the combined assets as a group.

The Interpretations Committee decided not to take the issue on to its agenda and to transfer it to the Board. In May 2013, the Board noted that the result of the outreach indicated that this issue was not widespread and decided that, depending on how practice developed in this area, this matter could be considered for review in the PIR of IFRS 13.\textsuperscript{21} Agenda Paper 7C summarises the feedback received during the first phase of the PIR of IFRS 13.

(b) In September 2014, the Interpretations Committee discussed a request to clarify under what circumstances prices that are provided by third parties

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\textsuperscript{20} Annual Improvement to IFRSs 2011-2013 Cycle issued in December 2013 can be found at: [http://eifrs.ifrs.org/eifrs/files/71/Annual%20Improvements%202011-2013_with%20cover_WEBSITE_124.pdf](http://eifrs.ifrs.org/eifrs/files/71/Annual%20Improvements%202011-2013_with%20cover_WEBSITE_124.pdf)

\textsuperscript{21} The IASB Update can be found at: [http://media.ifrs.org/2013/IASB/May/IASB-Update-May-2013.html](http://media.ifrs.org/2013/IASB/May/IASB-Update-May-2013.html)
would qualify as a Level 1 input in the fair value hierarchy. The Interpretations Committee observed that the guidance in IFRS 13 relating to the classification of measurements within the fair value hierarchy was sufficient to draw an appropriate conclusion on the issue submitted. On the basis of the analysis performed, the Interpretations Committee determined that neither an Interpretation nor an amendment to a Standard was necessary and decided not to add this issue to its agenda.\(^{22}\)

**Non-authoritative educational material**

35. In July 2011, the Board held a meeting with the Emerging Economies Group (EEG) and noted several areas for measuring fair value that were a concern to the group.\(^{23}\) This feedback then triggered the IFRS Education Initiative to publish educational material dealing with the fair value measurement of unquoted equity instruments in December 2012. The educational material was titled *Measuring the fair value of unquoted equity instruments within the scope of IFRS 9 Financial Instruments.*\(^{24}\) This material did not constitute official requirements of the IASB.

**Financial Accounting Foundation’s PIR process and results**

36. The US Financial Accounting Foundation (FAF) is the organisation responsible for the oversight of the FASB. The FAF is responsible for completing PIRs of US GAAP. The FAF’s PIR has three main objectives to determine if the Standard is meeting its purpose, to evaluate the implementation, compliance costs and related benefits of the Standard, and to provide feedback to improve the standard-setting process.


\(^{23}\) The EEG Meeting page can be found at: [http://www.ifrs.org/About-us/IASB/Advisory-bodies/EEG/Pages/Previous-EEG-documents.aspx](http://www.ifrs.org/About-us/IASB/Advisory-bodies/EEG/Pages/Previous-EEG-documents.aspx)

process. The FAF’s PIR process can include various activities such as a review of project archives, academic and other research, and various stakeholder outreach activities. The FAF PIR team publishes its conclusions in a Finding document.

37. The FAF completed a PIR of SFAS 157 *Fair Value Measurement* (also known as Topic 820) in March 2014. The FAF PIR team concluded that the Standard was meeting its objectives and that it did not result in any unanticipated consequences and achieved its expected benefits. Amongst the comments received the FAF PIR team reported that the extensive disclosures required by the Standard were a main concern of stakeholders. The FASB has responded to the findings of the FAF PIR and other comments received by publishing a Proposed *Accounting Standards Update* (ASU) Fair Value Measurement (Topic 820), Disclosure Framework. Agenda Paper 7B provides a detailed description of the proposed ASU to Topic 820 disclosures.

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25 The FAF PIR Process can be found at: [http://www.accountingfoundation.org/jsp/Foundation/Page/FAFBridgePage&cid=1351027541571](http://www.accountingfoundation.org/jsp/Foundation/Page/FAFBridgePage&cid=1351027541571)


APPENDIX—Main uses of fair value in IFRS Standards and disclosures required in IFRS 13

<table>
<thead>
<tr>
<th>IFRS Standard</th>
<th>How is fair value used?</th>
<th>IFRS 13 measurement applies</th>
<th>IFRS 13 disclosures apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 3 Business Combinations</td>
<td>Required, with some exceptions</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</td>
<td>Threshold, required if fair value less costs to sell is lower than the carrying amount</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>IFRS 9 Financial Instruments</td>
<td>Required, depending on the business model and the instrument</td>
<td>Yes</td>
<td>Yes*</td>
</tr>
<tr>
<td>IAS 16 Property, Plant and Equipment</td>
<td>Optional, accounting policy choice</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>IAS 19 Employee Benefits</td>
<td>Required, for pension plan assets only</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>IAS 36 Impairment of Assets</td>
<td>Threshold, required if fair value less costs of disposal is lower than the carrying amount and higher than value in use</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>IAS 38 Intangible Assets</td>
<td>Optional, accounting policy choice</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>IAS 40 Investment Property</td>
<td>Optional, accounting policy choice for measurement, required for disclosures</td>
<td>Yes</td>
<td>Yes*</td>
</tr>
<tr>
<td>IAS 41 Agriculture</td>
<td>Required, fair value less costs to sell</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*FVM disclosures are required even when the measurement basis is amortised cost (IFRS 9) or cost (IAS 40).
## Disclosure requirements

<table>
<thead>
<tr>
<th>Disclosure requirements</th>
<th>Items measured at fair value</th>
<th>Items not measured at fair value, fair value disclosed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurring</td>
<td>Non-recurring</td>
</tr>
<tr>
<td></td>
<td>L1</td>
<td>L2</td>
</tr>
<tr>
<td>Fair value at end of reporting period</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Reasons for the measurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level within the fair value hierarchy</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Transfers between the levels in the hierarchy</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Policy for determining when transfers between the hierarchy have occurred</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Description of valuation technique and inputs used</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Changes to valuation technique and reasons</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Quantitative information about significant unobservable inputs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconciliation of opening and closing balances (including information on transfers in or out)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gains/losses recognised in profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of valuation processes and policies</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Sensitivity to changes in unobservable inputs (narrative)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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28 Recurring: IFRS Standards require or permit FVM at the end of each reporting period ie; FVM for financial instruments, property, plant & equipment, intangible assets, investment property and agricultural assets carried at fair value are recurring

29 Non-recurring: IFRS Standards require or permit FVM in particular circumstances ie: FVM for assets held for sale and impaired assets are non-recurring
| Sensitivity to reasonably possible change in assumptions (quantitative, for financial instruments only) |   | ✓ |   |   |   |   |   |   |
| If highest and best use differs from current use, reasons why (non-financial assets only) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| If portfolio exception in paragraph 48 of the Standard is applied (financial instruments only) | ✓ | ✓ | ✓ |   |   |   |   |   |