

IAS 39 Financial Instruments: Recognition and Measurement (November 2008)

IAS 39 *Financial Instruments: Recognition and Measurement*—Valuation of restricted securities

The IFRIC received a request for guidance on whether a discount must be applied to the quoted market price when establishing the fair value of a security quoted in an active market when there is a contractual, governmental or other legally enforceable restriction that prevents the sale of the security for a specified period. Guidance was requested only in situations in which the restriction applied to the current holder of the security and would not transfer to another entity.

The IFRIC noted that any guidance it could provide would be in the nature of implementation guidance rather than an Interpretation. In its view, any additional guidance that is necessary should be provided by the Board in its project on fair value measurement.

The IFRIC therefore decided not to add this issue to its agenda.