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AGENDA PAPER 7



Measurement

Conceptual Framework

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASC Foundation or the IASB



- Only lists some measurement bases and techniques
 - no analysis or criteria to guide
- IFRSs developed without help of a conceptual basis for selecting measurement bases
- IFRSs contain many different bases
 - the cost model in IAS 16: 6 different bases
 - IAS 39: > 20 different ways



Objective of the Measurement phase

- DP planned for 4Q 2009/1Q 2010
- Provide guidance for selecting measurement bases that satisfy the objective of financial reporting
- Will not automatically lead to a decision about measurement in particular circumstances
 - describes what to consider when making standards-level decisions about measurement

A mixed measurement system will exist for the foreseeable future



Current

- Current prices
- Present value calculations

Non-current

- Past prices
- Adjusted past prices
- Undiscounted future cash flows



- Factors for selecting measures:
 - *Value realisation method* of assets and liabilities
 - *Cost* of using a measure
 - *Level of confidence* in accounting measures
 - Use of *consistent measures* for similar items and items used together
 - *Separability of income components* of measure changes



Questions or comments?

Expressions of individual views by members of the IASB and its staff are encouraged. The views expressed in this presentation are those of the presenter. Official positions of the IASB on accounting matters are determined only after extensive due process and deliberation.

