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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: 25 May 2006, London

Project: Fair Value Measurements (Agenda Paper 8)

Summary

OVERVIEW

- 1 During the May meeting the Staff plans to discuss many of the key aspects of the working draft of the FASB's Fair Value Measurements statement (draft FVM statement). The Staff has two primary objectives for this discussion:
 - (a) Discuss many of the key concepts in the draft FVM statement for purposes of identifying the questions and issues to discuss in the invitation to comment, and
 - (b) Provide feedback to the FASB on the draft FVM statement prior to the issuance of the final FVM statement.
- 2 The Staff plans to ask for Board decisions on the following topics:
 - (a) The principles that form the foundation of the FVM and the revised definition of fair value in the draft FVM statement (Agenda Paper 8A);
 - (b) The revised three-level hierarchy in the draft FVM statement (Agenda Paper 8B);

- (c) Guidance on the unit of account, the principle market and the most advantageous market (Agenda Paper 8C);
 - (d) Whether a transaction price is presumptively fair value on initial recognition (Agenda Paper 8D);
 - (e) Guidance on fair value measurements when inputs are based on bid and asked prices (Agenda Paper 8E); and
 - (f) Treatment of transaction and transportation costs in a fair value measurement (Agenda Paper 8F).
- 3 The Staff plans to present a paper to the Board highlighting the key differences between the draft FVM statement and the AcSB staff Discussion Paper on Initial Measurement (Agenda Paper 8G). This paper is for information and discussion purposes and does not require any Board decisions.
- 4 To facilitate as comprehensive a discussion as possible, the Staff plan to be joined by Linda MacDonald, the FASB's Fair Value Measurements project manager.