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FOR IMMEDIATE RELEASE

FASB Issues Exposure Draft for Proposed Accounting Standards Update, *Improving Disclosures about Fair Value Measurements*

Norwalk, CT, August 28, 2009—The Financial Accounting Standards Board (FASB) has issued an Exposure Draft (ED) of a proposed Accounting Standards Update intended to improve disclosures about fair value measurements. The proposed Update would improve Fair Value Measurements and Disclosures—Overall Subtopic (Subtopic 820-10) of the *FASB Accounting Standards Codification*[™], originally issued as FASB Statement No. 157, *Fair Value Measurements*. The proposed Update would affect all entities that are required to make disclosures about recurring and nonrecurring fair value measurements. The deadline for comments on the proposed Update is October 12, 2009.

The Board has proposed the improvements to disclosures about fair value measurements based on input received from users of financial statements. Users have requested more information about fair value measurements that use significant unobservable inputs (that is, Level 3 inputs) because of their greater degree of uncertainty and subjectivity. Therefore, for Level 3 inputs, the Board has proposed disclosures about any significant effect(s) on fair value measurements if the reporting entity were to use reasonably possible alternative inputs.

The proposal also addresses requests from users for segregating information for different *classes* of assets and liabilities that are determined based on their nature and risk characteristics and their placement in the fair value hierarchy (that is, Level 1, 2, or 3). Further, users need more robust disclosures about valuation techniques and inputs for both Level 2 and Level 3 measurements because many consider these measurements to be less reliable than Level 1 measurements.

“A number of constituents have recommended that the Board improve disclosures about fair value measurements. The Board believes that the increased transparency resulting from the proposed disclosures would benefit financial statement users,” stated FASB Chairman Robert H. Herz. “We encourage constituents to review the proposal and provide comments on whether they believe it would accomplish this goal in a cost-beneficial manner.”

The ED, and information about submitting comments, is available at www.fasb.org.

The *FASB Accounting Standards Codification*[™] is the single source of authoritative nongovernmental U.S. generally accepted accounting principles. An Accounting Standards Update is not authoritative; it only provides background information about an issue, updates

the FASB Accounting Standards Codification, and provides the basis for conclusions for the Board's decision to update the FASB Accounting Standards Codification.

About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

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