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Reference : EFRAG's draft comment letter on the IASB's ED on Fair Value Measurement

The Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) welcomes the opportunity to comment on EFRAG's draft comment letter on the IASB's Exposure Draft on Fair Value Measurement.

As you may know, Solvency II, newly adopted within EU and taking effect from 2012, built on economic values of insurers' assets and liabilities as a basis for assessing insurance undertakings' risks and solvency position. The definition of economic value is close to the definition of fair value in IFRS and CEIOPS wishes to make the IFRS definition and guidance on fair value a reference framework for economic value measurement applicable within Solvency II. Such procedure would be cost effective for companies and ensure a high degree of transparency between financial reports and figures relevant for solvency assessment.

From this perspective CEIOPS is generally supportive of IASB's ED. CEIOPS supports a single source of definition of the fair value attribute and guidance within IFRS and finds that the ED provides increased clarity and improvements in comparison with existing dispersed characteristics of fair value in the IFRSs.

CEIOPS believes it is important to have a single definition of fair value and believes that fair value provides for decision useful information for users on both for financial and non

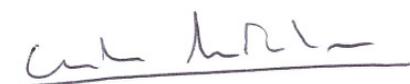
financial items. Consequently, CEIOPS does not support EFRAG's suggestion to restrict the fair value definition to financial instruments and exclude the non financial items.

CEIOPS points to the need for more guidance - as concrete as possible - on certain aspects in order to achieve greater consistency in application. It would be useful to consider how the Expert Advisory Panel's guidance on measuring and disclosing the fair value of financial instruments in markets that are no longer active can be incorporated into IFRS. Especially, CEIOPS would welcome more guidance on the valuation in illiquid markets, including criteria for stressed sales, on the measurement of un-listed equities and on how to determine fair value within the bid-ask spread and assess the liquidity premium when markets are inactive.

If you have any questions or wish to discuss all this further with us, please feel free to contact jarl.kure@ceiops.eu.

A copy of this letter has been sent to the IASB.

Best regards,

A handwritten signature in dark ink, appearing to read 'Carlos Montalvo', is written above a horizontal line.

Carlos Montalvo
Secretary General