This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

[Draft] Comment Letter

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

[XX September 2017]

Dear Mr Hoogervorst,

Re: Request for information and comment letters—Post-implementation Review—IFRS 13 *Fair Value Measurement*

On behalf of the European Financial Reporting Advisory Group (EFRAG), I am writing to comment on the Request for Information and comment letters—Post-implementation Review—IFRS 13 Fair Value Measurement, issued by the IASB on 25 May 2017 (the 'PIR').

This letter is intended to contribute to the IASB's due process and does not necessarily indicate the conclusions that would be reached by EFRAG in its capacity as advisor to the European Commission on endorsement of definitive IFRS Standards in the European Union and European Economic Area.

This letter reflects the evidence gathered from European constituents during EFRAG's outreach activities, conducted in partnership with European National Standard Setters and the EFRAG User Panel as well as through questionnaires completed by users and preparers.

We highlight that, it has been difficult to successfully engage a wide range of constituents in this evidence gathering exercise. Therefore, the summary of evidence gathered presented below should be read in this context.

The summary of our findings is set out in the Appendix. It is structured following the questions in the Request for Information. The evidence was gathered at various outreach events held throughout Europe, consultations with EFRAG Working Groups and other individuals and responses to user and general questionnaires constituents.

The key areas of IFRS 13 on which constituents commented included inconsistencies in the level of detail provided and the difficulty of calculating valuation adjustments. Most users strongly agreed with the use of the current application of the unit of account and therefore with PxQ as measurement for listed investments. They did not regard discounts or premiums appropriate for measurement. Some preparers disagreed with this view from a conceptual perspective but also highlighted that they regarded it possible to include control premiums in the measurement of instruments listed on active markets. The views are consistent with the information we heard in consulting on Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value.

If you would like to discuss our comments further, please do not hesitate to contact Fredré Ferreira, Raffaele Petruzzella or Albert Steyn.

Yours sincerely,

Andrew Watchman
EFRAG TEG Chairman and CEO