

Development Document  
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*Development Document*

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**IFRS 13, *Fair Value*  
*Measurement*, Mapped to  
ED77, *Measurement***

**IPSASB**

International Public  
Sector Accounting  
Standards Board®

## DEVELOPMENT DOCUMENT

This Development Document was prepared for information purposes only. It is not a Standard or pronouncement of the IPSASB. It has not been reviewed, approved or otherwise acted upon by the IPSASB.

### Objective of the Development Document

The objective of this Development Document is to support constituents in their review of ED 77, *Measurement*. This Development Document has been developed to reference the source of fair value measurement guidance in ED 77.

This Development Document references the IFRS 13, Fair Value Measurement text on which the ED 77 guidance is based. This Development Document should be used in conjunction with [ED 77, \*Measurement\*](#).

### Fair Value in Exposure Draft 77

ED 77 brings in generic guidance on fair value for the first time into IPSAS. During development of this ED the IPSASB considered whether the fair value measurement basis was relevant to measuring assets and liabilities held by public sector entities. The IPSASB concluded that:

- There are assets and liabilities held by public sector entities that should be measured at fair value; and,
- The term “fair value” should have the same meaning as that established by IFRS 13, *Fair Value Measurement*.

Appendix C to ED 77 includes generic guidance on how fair value is applied in the public sector. This Development Document outlines where guidance in IFRS 13 is in ED, *Measurement*.

## IFRS 13, *Fair Value Measurement*, Mapped to ED77, *Measurement*

Topic	IFRS 13 Reference	ED Measurement Reference	Notes
<b>Objective</b>	1	1	
	2	N/A	N/A, as IFRS 13.2 to 4 only provide a high level summary of the standard
	3	N/A	
	4	N/A	
<b>Scope</b>	5	3	
	6	4	
	7	N/A	N/A, as related to disclosures
	8	5	
<b>Definition of fair value</b>	9	6	
	10	N/A	N/A, as IFRS 13.10 only cross-references to application guidance
<b>The asset or liability</b>	11	32	
	12	33	
	13	34	
	14	35	
<b>The transaction</b>	15	C2	
	16	C3	
	17	C4	
	18	C5	
	19	C6	
	20	C7	
	21	C8	
<b>Market participants</b>	22	C9	
	23	C10	
<b>The price</b>	24	C11	
	25	C12	
	26	C13	
<b>Highest and best use for non-financial assets</b>	27	C14	
	28	C15	
	29	C16	
	30	C16	
<b>Valuation premise for non-financial assets</b>	31	C18	
	32	C19	
	33	N/A	N/A, as IFRS 13.33 only cross-references to application guidance

<b>Application to liabilities and an entity's own equity - General principles</b>	34	N/A	IPSAS 41.AG143A
	35	N/A	IPSAS 41.AG143B
	36	N/A	IPSAS 41.AG143C
<b>Liabilities and equity instruments held by other parties as assets</b>	37	N/A	IPSAS 41.AG143D
	38	N/A	IPSAS 41.AG143E
	39	N/A	IPSAS 41.AG143F
<b>Liabilities and equity instruments not held by other parties as assets</b>	40	N/A	IPSAS 41.AG143G
	41	N/A	IPSAS 41.AG143H
<b>Non-performance risk</b>	42	N/A	IPSAS 41.AG143I
	43	N/A	IPSAS 41.AG143J
	44	N/A	IPSAS 41.AG143K
<b>Restriction preventing the transfer of a liability or an entity's own equity instrument</b>	45	N/A	IPSAS 41.AG143L
	46	N/A	IPSAS 41.AG143M
<b>Financial liability with a demand feature</b>	47	N/A	IPSAS 41.AG143N
<b>Application to financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk</b>	48	N/A	IPSAS 41.AG143O
	49	N/A	IPSAS 41.AG143P
	50	N/A	IPSAS 41.AG143Q
	51	N/A	IPSAS 41.AG143R
	52	N/A	IPSAS 41.AG143S
<b>Exposure to market risks</b>	53	N/A	IPSAS 41.AG143T
	54	N/A	IPSAS 41.AG143U
	55	N/A	IPSAS 41.AG143V
<b>Exposure to the credit risk of a particular counterparty</b>	56	N/A	IPSAS 41.AG143W
<b>Fair value at initial recognition</b>	57	C21	
	58	C22	
	59	C23	
	60	C24	
<b>Measurement techniques</b>	61	36 and C27	
	62	38 and C28	
	63	39 and C29	
	64	C30	
	65	40	
	66	41	
<b>Inputs to valuation techniques - General principles</b>	67	C55	
	68	-	Repeats what is in the appendix
	69	C57	
<b>Inputs based on bid and</b>	70	N/A	IPSAS 41.AG143AA

<b>ask prices</b>	71	N/A	IPSAS 41.AG143AB
<b>Fair value hierarchy</b>	72	C58	
	73	C59	
	74	C60	
	75	C61	
<b>Level 1 inputs</b>	76	C62	
	77	C63	
	78	C64	
	79	C65	
	80	C66	
<b>Level 2 inputs</b>	81	C67	
	82	C68	
	83	C69	
	84	C70	
	85	C71	
<b>Level 3 inputs</b>	86	C73	
	87	C74	
	88	C75	
	89	C87	
	90	C88	
<b>Disclosure</b>	91	N/A	Disclosure will be addressed on an IPSAS by IPSAS basis
	92	N/A	
	93	N/A	
	94	N/A	
	95	N/A	
	96	N/A	
	97	N/A	
	98	N/A	
	99	N/A	
<b>Defined terms</b>	Appendix A	6	
<b>Application guidance (introduction)</b>	B1	N/A	Introductory paragraph only
<b>The fair value measurement approach</b>	B2	C1	
<b>Valuation premise for non-financial assets</b>	B3	C20	
<b>Fair value at initial recognition</b>	B4	C25	
<b>Measurement - Market approach</b>	B5	42	
	B6	C31	
	B7	C32	
<b>Cost approach</b>	B8	43	
	B9	C34	
<b>Income approach</b>	B10	45	

	B11	C35	
<b>Present value techniques</b>	B12	C36	
<b>The components of a present value measurement</b>	B13	C37	
<b>The components of a present value measurement - General principles</b>	B14	C38	
<b>Risk and uncertainty</b>	B15	C39	
	B16	C40	
	B17	C41	
<b>Discount rate adjustment technique</b>	B18	C42	
	B19	C43	
	B20	C44	
	B21	C45	
	B22	C46	
<b>Expected present value technique</b>	B23	C47	
	B24	C48	
	B25	C49	
	B26	C50	
	B27	C51	
	B28	C52	
	B29	C53	
	B30	C54	
<b>Applying present value techniques to liabilities and an entity's own equity instruments not held by other parties as assets</b>	B31	N/A	IPSAS 41.AG143X
	B32	N/A	IPSAS 41.AG143Y
	B33	N/A	IPSAS 41.AG143Z
<b>Inputs to valuation techniques</b>	B34	C56	
<b>Fair value hierarchy - Level 2 inputs</b>	B35	C72	
<b>Level 3 inputs</b>	B36	C89	
<b>Measuring fair value when the volume of level of activity for an asset or a liability has significantly decreased</b>	B37	C76	
	B38	C77	
	B39	C78	
	B40	C79	
	B41	C80	
	B42	C81	
<b>Identifying transactions that are not orderly</b>	B43	C82	
	B44	C83	
<b>Using quoted prices</b>	B45	C84	

<b>provided by third parties</b>	B46	C85	
	B47	C86	
<b>Effective date and transition</b>	C1	54	
	C2	56	
	C3	N/A	N/A, as IFRS 13.C3 to C5 deal with transitional provisions and consequential amendments
	C4	N/A	
	C5	N/A	
	C6	N/A	
<b>Amendments to other IFRSs</b>	Appendix D	N/A	