

# Conceptual Framework Exposure Draft Phase 3 – Measurement of Assets and Liabilities in Financial Statements: Request for comment

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## **Specific Matter for Comment 1**

*Do you agree that the selection of a measurement basis should be based on the extent to which a particular measurement basis meets the objectives of financial reporting? If you think that there should be a measurement objective please indicate what this measurement objective should be and give your reasons.*

The measurement basis selected should be selected based on how well it meets the objectives of financial reporting. A separate measurement objective is not required as the objectives and qualitative characteristics strive towards the same outcome of providing useful information to users.

## **Specific Matter for Comment 2**

*Do you agree with the current value measurement bases for assets that have been identified in Section 3? If not, please indicate which additional measurement bases should be included or which measurement bases should not be included in the Framework?*

Yes, we agree with the proposed measurement bases.

## **Specific Matters for Comment 3**

*Do you agree with the approaches proposed in Section 4 for application of:*

*(a) The fair value measurement model to estimate the price at which a transaction to sell an asset would take place in an active, open and orderly market at the measurement date under current market conditions. If not, please give your reasons; and*

The fair value model as a tool for determining a suitable measurement basis to specify in a standard seems reasonable. However, having the fair value model included as a method for determining value in a standard could result in excessive compliance costs in calculating three values based on separate measurement bases to determine which should be used.

*(b) The deprival value model to select or confirm the use of a current measurement basis for operational assets. If not please give your reasons.*

The deprival model as a tool for determining a suitable measurement basis to specify in a standard seems reasonable. However, having the deprival model included as a method for determining value in a standard could result in excessive compliance costs in calculating three values based on separate measurement bases to determine which should be used.

## **Specific Matter for Comment 4**

*Do you agree with the proposed measurement bases for liabilities in Section 5? If not, please indicate which additional measurement bases should be included or which measurement bases should not be included in the Framework?*

We agree with the proposed measurement bases for liabilities.