Comissão de Normalização Contabilística

Comissão Executiva

Measurement Uncertainty Analysis Disclosure for Fair Value Measurements (Limited re-exposure of proposed disclosure)

Question 1

Are there circumstances in which taking into account the effect of the correlation between unobservable inputs (a) would not be operational (e.g. for cost-benefit reasons) or (b) would not be appropriate? If so, please describe those circumstances.

We agree with EFRAG as we also are not aware of any specific instances where a) or b) would apply but such instances may exist. We also consider that the correlation between unobservable inputs may be difficult to quantify.

Question 2

If the effect of correlation between unobservable inputs were not required, would the measurement uncertainty analysis provide meaningful information? Why or why not?

We consider that a sensitivity analysis that considers correlation between unobservable inputs provides more information. As a consequence such disclosure should be encouraged.

The cost benefit of obtaining and preparing this information should be taken into account when considering these disclosures mandatory.

We also raise the question related to the complexity of this information, taking into consideration the users ability to understand and interpret the disclosures and the respective outcomes.

Question 3

Are there alternative disclosures that you believe might provide users of financial statements with information about the measurement uncertainty inherent in fair value measurements categorised within Level 3 of the fair value hierarchy that the Board should consider instead? If so, please provide a description of those disclosures and the reasons why you think that information would be more useful and more cost-beneficial.

We don’t have suggestions or alternative disclosures regarding this issue.

Lisbon, 1st September 2010