



October 1, 2010

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

Dear Board members,

Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera (CINIF), the accounting standards setting body in Mexico, welcomes the opportunity to submit its comments on the *Exposure Draft: Measurement Uncertainty Analysis Disclosure for Fair Value Measurements* (the ED). Set forth below you will find our comments on the topics included in the ED, as well as our responses to the questions included therein.

### **Correlation between unobservable inputs**

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#### **Question 1**

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

#### **Response**

In volatile markets and in unstable economies, there is a wide range of possible fair values and, if the lack of adequate and current observable inputs in some cases is also considered, the correlation between unobservable inputs would be neither operational nor appropriate.

#### **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?*

## Response

Although the measurement uncertainty analysis would provide meaningful information about the range of possible fair values, it would also demonstrate a lack of consistency and comparability.

## Alternatives to measurement uncertainty analysis

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### 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.*

## Response

No, we do not believe that any additional disclosures are needed.

Should you require additional information on our comments listed above, please contact me at 00-52-55-5596 5633/26/34 or by e-mail at [fperezcervantes@cinif.org.mx](mailto:fperezcervantes@cinif.org.mx)

Sincerely,

C.P.C. Felipe Perez Cervantes  
President of the Mexican Accounting Standards Board  
Consejo Mexicano para la Investigación y Desarrollo  
de Normas de Información Financiera (CINIF)