
Recent Significant Developments in Fair Value Accounting

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This memorandum discusses four recent significant *developments relating to Accounting Standards Codification ("ASC") Topic 820*, Fair Value Measurements and Disclosures, including:

- The September 30, 2009 issuance of final Accounting Standards Update ("ASU") No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which amends ASC Subtopic 820-10 to provide guidance for estimating the fair value of certain "alternative investments," such as investments in hedge funds, private equity funds, real estate funds, venture capital funds, offshore fund vehicles and funds of funds;

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The August 28, 2009 issuance of final ASU No. 2009-05, *Measuring Liabilities at Fair Value*, which amends ASC Subtopic 820-10 to provide guidance for estimating the fair value of liabilities;

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The August 28, 2009 issuance of an Exposure Draft ("ED") of a proposed Accounting Standards Update ("ASU") called *Improving Disclosures about Fair Value Measurements*, which would amend ASC Subtopic 820-10, to both (i) clarify certain existing required disclosures about fair value measurements and (ii) require three new disclosures; and

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The issuance by the Public Company Accounting Oversight Boards ("PCAOB") of Staff Audit Practice Alert No. 4 ("Practice Alert") on April 21, 2009 to inform auditors about the potential implications of recent FASB Staff Positions on their reviews of interim financial information and annual audits.

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