

## **Amendments to Financial Reporting Standard 102- Fair value hierarchy disclosures**

### **Financial Reporting Council (FRC)**

**RPC rating: validated**

#### **Description of the measure**

The FRC has amended certain disclosure requirements in FRS 102 “*The Financial Reporting Standard applicable in the UK and Republic of Ireland*” to simplify the preparation of the disclosures and increase consistency with similar International Financial Reporting Standards. The amendments only apply to financial institutions and retirement benefit plans. FRS 102 requires these bodies to provide information about financial instruments measured at fair value. The amendments simplify the disclosure requirements. The FRC states that the amendments will reduce the costs of complying with FRS 102 and are deregulatory.

#### **Impacts of the measure**

The assessment highlights that firms may incur some small one-off costs as a result of needing to make certain system changes. The FRC has been unable to estimate these costs. The assessment will also lead to reduced costs, particularly from time savings due to applying more straightforward fair value hierarchy disclosures. Respondents to the consultation broadly agreed that the amendments will reduce costs. The FRC has been unable to quantify these benefits. The FRC considers it disproportionate to attempt to quantify the benefits for a deregulatory measure that has the support of industry.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0 million.

#### **Quality of submission**

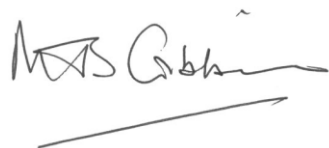
The FRC has provided sufficient information for the RPC to verify the EANDCB figure of zero. The RPC notes that while this assessment covers domestic accounting standards, any future assessments should make clear as to whether or not any delayed derogation, as part of an international agreement relating to financial standards, has been taken.

### Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.0 million
Business net present value	£0.0 million

### RPC assessment

Classification	Qualifying regulatory provision
EANDCB – RPC validated <sup>1</sup>	£0.0 million
Business Impact Target (BIT) Score <sup>1</sup>	£0.0 million



**Michael Gibbons CBE**, Chairman

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<sup>1</sup> For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.