

Review of Submissions – Specific Comments Table

Exposure Draft 01/19: Revision of APESB pronouncements in relation to proposed revisions to APES GN 21 *Valuation Services for Financial Reporting*

Note: General comments relating to ED 01/19 and specific comments for other pronouncements in ED 01/19 are addressed in separate tables. This table excludes minor editorial changes.

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
1	1.5	CA ANZ	In relation to APES GN 20 Scope and Extent of Work for Valuation Services and APES GN 21 Valuation Services for Financial Reporting the Board has included a new paragraph in each guidance note at paragraphs 1.4 and 1.5 respectively. These paragraphs direct a member to “be guided not merely by the words but also by the spirit of this Guidance Note”. Members’ compliance with the standards is assessed by others including quality reviewers, other professional accountants and at times the Courts. It would be extremely difficult for a member to know what the “spirit of the Guidance Note” is. We recommend that the APESB consider removing or re-wording this paragraph so that members are able to establish their compliance with the paragraph.	No
2	3.1	IPA	The fundamental responsibilities of members should include APES 205 <i>Compliance with Accounting Standards</i> as the valuations covered by GN 21 are for financial reporting purposes. The preparers of such valuations should comply with the applicable financial reporting standards.	No
3	5.3	IPA	The report should state the valuation has been prepared in accordance with AASB 13 <i>Fair Value Measurement</i> and other applicable standards affecting the valuation, for example, AASB 141 <i>Investment Properties</i> .	No
4	n/a	IPA	One of the fundamental principles underpinning AASB 13 is the concept that the valuation is based on assumptions that would be used by market participants and the first step in complying with AASB 13 is the identification of market participants (AASB 13.22). However, the IPA has noted that most valuations do not identify the market participant on which the valuation assumptions are based. The IPA recommends that GN 21 require the identification of the market participants on which valuation assumptions are based. Valuations should state whether costs of disposal have been included and the amount and basis on which costs of disposal have been determined.	No
5	n/a	IPA	Sufficient information should be provided to ensure the disclosure requirements of AASB 13 can be met, for example, for recurring valuations using level 3 inputs sufficient information should be included to meet the disclosure of sensitivities in accordance with AASB 13.93(h). The APES Board should consider inclusion of guidance in relation to AASB 140 <i>Investment Properties</i> , AASB 141 <i>Agriculture</i> and AASB 9 <i>Financial Instruments</i> .	No

RESPONDENTS

1	CA ANZ	Chartered Accountants Australia & New Zealand
2	IPA	Institute of Public Accountants