

## AGENDA PAPER

**Item Number:** 10  
**Date of Meeting:** 17 May 2012  
**Subject:** Proposed Revised APES 225 *Valuation Services*

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**Action Required**                       **For Information Only**

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### Purpose and background

To provide the Board with an evaluation of the respondents' comments on the revision of APES 225 *Valuation Services* and to obtain Board approval to issue the Revised APES 225 *Valuation Services*.

### Background

The Accounting Professional and Ethical Standards Board (APESB) issued the Standard APES 225 *Valuation Services* in July 2008 with an effective date of 1 January 2009. APES 225 *Valuation Services* sets out mandatory requirements and guidance for Members who provide Valuation Services.

At the November 2011 Board Meeting, the Board noted the proposed revisions to APES 225 to clarify the three different types of Valuation Engagements and the incorporation of additional examples. The Board determined to expose the proposed revisions in December 2011 for public comment. The revised APES 225 will be effective for Valuation Engagements or Assignments commencing on or after 1 September 2012 with early adoption permitted.

### Consideration of issues

The key proposed amendments to the Revised APES 225 are listed below:

- Amendment to Paragraph 1.1 with regards to the commencement date with early adoption permitted.
- Amendments to the Definitions of:
  - Calculation Engagement;
  - Firm;
  - Limited Scope Valuation Engagement;
  - Valuation; and
  - Valuation Engagement.
- Addition of the definition of Premise of Value based on the international glossary.

- Amendment to Paragraph 3.8.
- Addition of Paragraph 4.2 where additional requirements to the Terms of Engagement are specified.
- Amendments to the Valuation Reporting requirements.
- Additional schematic diagram added to Appendix 1 to provide an overview of the differentiation of the three types of Valuation Engagements.
- Additional examples developed for Appendix 1 of the proposed Standard.
- Addition of Appendix 2.

### **Material Presented**

- Attachment 10(a) – APES 225 *Valuation Service* (Marked Up);
- Attachment 10(b) – APES 225 *Valuation Service* (Clean);
- Attachment 10(c) – General Comments Table;
- Attachment 10(d) – Specific Comments Table;
- Attachment 10(e) – Technical Update 2012/1; and
- Attachment 10(f) – Minutes of the Taskforce Meeting.

### **Staff Recommendation**

- Subject to the Board's editorials, the Board approve the issue of the Revised APES 225 *Valuation Services*.

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**Date:** 3 May 2012