

14 February 2013

IVSC Standards Board  
International Valuation Standards Council  
41 Moorgate  
LONDON EC2R 6PP

Dear Sirs,

### **Exposure Draft – Valuation Uncertainty**

On 16 November 2012 the IVSC announced the release of an Exposure Draft on valuation uncertainty.

The document was issued seeking a response from interested parties by COB 14 February 2013.

The New Zealand Valuation and Property Standards Board comments (red) in response to the questions are detailed below:

#### **Question 1:**

Do you agree with this definition? If not, how do you think that it could be improved?

Yes.

#### **Question 2:**

Do you agree with the Board's decision to exclude prudential valuation adjustments for valuation uncertainty from the scope of this guidance?

Agree.

#### **Question 3:**

Which of these views do you support?

Inclusion.

**Question 4:**

Do you agree that these three categories represent the main sources or causes of valuation uncertainty as defined? If not please explain why, and in particular identify any other source of uncertainty that is not mentioned.

Agree.

**Question 5:**

Do you agree with this position?

Agree.

**Question 6:**

Do you find the guidance on materiality to be helpful? Are there any improvements or other considerations that you would suggest be included?

Yes part 1, No part 2.

**Question 7:**

Do you agree that this identifies the matters that should normally be included in a disclosure of uncertainty? If not please indicate any additional matters that you consider should be included or any matters mentioned that should be excluded.

Agree.

**Question 8:**

Do you have experience of quantitative measures of valuation uncertainty for tangible or intangible assets being disclosed in reports? If so please indicate the types of asset and the techniques used to quantify the uncertainty.

Business valuations – Monte Carlo Simulation and Sensitivity Analysis.

**Question 9:**

Do you agree with this list? If not please indicate any additional principles that you believe should be included or any listed that you believe are inappropriate.

Yes.

**Question 10:**

Do you agree with the Board's proposal to include illustrative examples of typical disclosures? If so, please indicate the situation for which you consider an example would be most useful.

Yes

Business valuation in illiquid markets/dysfunctional markets.

If you have an example of either a disclosure or measurement of valuation uncertainty that you would like the Board to consider for inclusion in the final paper, please include this with your response.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris Stanley', with a stylized flourish at the end.

**Chris Stanley**  
**Chairman**  
**Valuation and Property Standards Board**