



4 March 2011

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON IVSC EXPOSURE DRAFT OF *TECHNICAL INFORMATION PAPER 1 THE DISCOUNTED CASH FLOW METHOD – REAL PROPERTY AND BUSINESS VALUATIONS*

Responses to be received by 13 April 2011

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments from constituents to the International Valuation Standards Council (IVSC) Exposure Draft of *Technical Information 1 The Discounted Cash Flow Method – Real Property and Business Valuations* which can be downloaded from the Institute's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>.

In order to assist valuation professionals in identifying best practice the International Valuation Professional Board is preparing a series of Technical Information Papers (TIPs). TIPs do not form part of IVS and are published separately. Although the TIPs are designed to promote consistency of practice and support the application of the principles in the IVS, they are not intended to be mandatory.

It is proposed that this exposure draft will replace the current GN9 *Discounted Cash Flow Analysis for Market Valuations and Investment Analyses* (Revised 2007). GN9 predominantly focused on the valuation of real property assets. This exposure draft provides practical guidance for the application of the discounted cash flow approach for the valuation of businesses as well as real estate assets.

Comments are invited from any interested party, which should be supported by specific reasoning and should be submitted in written form.

To allow your comments to be considered, they are requested to be received by the Institute on or before **13 April 2011**.

Comments may be sent by mail, fax or e-mail to:

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Comments may be made available for public review unless otherwise requested by the contributor.