



8 August 2012

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

INVITATION TO COMMENT ON IVSC DISCUSSION PAPER *THE VALUATION OF TRADE RELATED PROPERTY*

Responses to be received by 17 September 2012

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) Discussion Paper *The Valuation of Trade Related Property* which can be downloaded from the Institute's website at:

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

The IVSC first published GN 12 *The Valuation of Trade Related Property* in 2005 and updated it in 2007. In 2009 IVSC commenced its Standards Improvements Project which involved reviewing all previously issued IVSC publications. The Standards Board originally proposed to update and replace GN12 with a new standard, IVS 232 *Trade Related Property*, and an Exposure Draft was released for public comment in June 2010, along with drafts of all the other standards that the Board was proposing to update.

The Board did not approve the draft IVS 232 for publication but instead agreed a project to undertake a review of the particular valuation issues raised by TRP and to decide the nature and extent of any future pronouncements that IVSC should make in relation to this class of asset. This Discussion Paper sets out a number of issues identified by the Board on which respondent's views are invited.

This discussion paper seeks to establish whether "Trade Related Property" (TRP) represents a distinct asset class that presents unique valuation challenges, whether there are procedures that differ from those in the existing IVSs that should be regarded as mandatory and whether guidance is required on the application of different valuation approaches to TRP.

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 **17 September 2012**.

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

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6776
E-mail: commentletters@hkicpa.org.hk

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