

28 February 2022

Practice Note 2

MINIMUM DISCLOSURE REQUIREMENTS FOR SUMMARY VALUATION LETTERS

1. Introduction

- 1.1. Valuers should refer to Practice Note 1 (“Minimum Requirements for Performing Valuations and Issuing Business Valuation Reports”) for the minimum requirements for performing valuations.
- 1.2. We note that valuers in certain situations may be required to prepare summary valuation letters or reports (“Summary Valuation Letters”) in addition to their full valuation report, such as for disclosure purposes by listed issuers.
- 1.3. This Practice Note outlines the minimum disclosure requirements for such Summary Valuation Letters.
- 1.4. Along with the requirements set forth in this Practice Note, valuers should also adhere to any additional disclosure requirements imposed by their respective local legislative, regulatory, or other authoritative bodies that has jurisdiction over the Summary Valuation Letters (e.g., local stock exchanges or tax authorities, among others).

2. Minimum Disclosure Requirements for Summary Valuation Letters

- 2.1. We have made references to International Valuation Standards (“IVS”) 103, *Reporting*, for the minimum disclosure requirements for Summary Valuation Letters specified as follows:
- 2.1.1. the scope of work performed;
 - 2.1.2. intended use;
 - 2.1.3. intended users;
 - 2.1.4. the purpose;
 - 2.1.5. the approach or approaches adopted;
 - 2.1.6. the method or methods applied;
 - 2.1.7. the key inputs used;
 - 2.1.8. the key assumptions made;
 - 2.1.9. the conclusion(s) of value and principal reasons for any conclusions reached;
and
 - 2.1.10. the date of the report (which may differ from the valuation date).
- 2.2. Valuers should ensure that the valuation is prepared in compliance with Practice Note 1¹. The nature of any departures² should also be explained, for example, by identifying that the valuation is not conducted in accordance with Practice Note 1 and consequently the summary valuation letter or report issued is out-of-scope.
- 2.3. The extent of information details to be disclosed (e.g., information that could be considered as confidential and/or commercially sensitive) has to be considered on a case-by-case basis, and is to be advised or confirmed by the client, subject company or any other intended users and their relevant advisors, in compliance with relevant disclosure requirements of the stock exchange (e.g., Singapore Exchange).

¹ Practice Note 1 is compliant with the IVS and should be read in conjunction with it.

² A “departure” is a circumstance where specific legislative, regulatory, or other authoritative requirements must be followed that differ from some of the requirements within IVS. See IVS Framework pars. 60.1 to 60.4 for detailed references.