

March 28, 2014

International Valuation Standards Council
1 King Street
London, EC2V 8AU
United Kingdom

By e-mail: commentletters@ivsc.org

Re: Exposure Draft — Illustrative Examples, Chapter 1 – Bases of Value

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 29,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

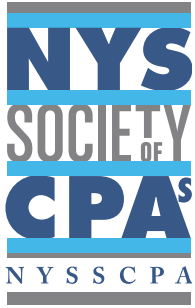
The NYSSCPA's Business Valuation Committees deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Martin Lieberman, Chair of the Business Valuation Committee at (212) 937-8426, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in blue ink that reads "J. Michael Kirkland". The signature is written over a faint, semi-transparent watermark of the NYSSCPA logo.

J. Michael Kirkland
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**EXPOSURE DRAFT — ILLUSTRATIVE EXAMPLES, CHAPTER 1 – BASES OF
VALUE**

March 28, 2014

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Ernest J. Markezin

New York State Society of Certified Public Accountants

Comments on

Exposure Draft — Illustrative Examples, Chapter 1 – Bases of Value

The New York State Society of Certified Public Accountants welcomes the opportunity to comment on the International Valuation Standards Council’s (the IVSC) Exposure Draft— Illustrative Examples, Chapter 1 – Bases of Value (the Exposure Draft). Our responses to the Questions for Respondents are presented below.

Question 1 – Do you consider the differences among the IVS bases of value have been adequately illustrated? If not, what additional illustrations might be helpful?

Response: We believe the definitions and examples should be consistent throughout. On page three of the Exposure Draft the definition of fair value does not include the term “arms-length” however in the example on page four, fair value does include the term “arms-length.” We would also recommend that when describing market value, the word “exchange” on page three be replaced by the word “settle” because “exchange” is generally used when describing a formal market place for the sale of securities and could cause confusion.

Figure 2 should be clarified to state “Investment Value – Owner” so that the reader of the illustration realizes which Investment Value definition is illustrated.

The illustration on page 4 has three elements that are considered when forming an opinion of value. We believe that other “building blocks” would include potential purchasers and markets.

Question 2 – Do you perceive any issues or unintended consequences arising from any of the illustrations? If you do, please explain what these are.

Response: We do not perceive any issues or unintended consequences arising from any of the illustrations, after they are updated for the items noted in Question 1.

Question 3 – Do you consider that there are any other differences between Market Value and IFRS 13 Fair Value that should be discussed and illustrated?

Response: No, Example 4 does a good job at outlining the key differences between Market Value and Fair Value as defined in IFRS Fair Value Measurement.

Question 4 – Does the term “arm’s length” in the Market Value definition need explanation?

Response: We believe it would be helpful to actually define arm’s length in the Market Value definition in order to avoid confusion by the users of this chapter.

Question 5 – Do you find the graphics in the document helpful in understanding the relationships between the bases of value and other pertinent concepts?

Response: Yes, the graphics are helpful in illustrating the concepts outlined in the chapter.

Question 6 – Below are examples of other topics within the scope of the Illustrative Examples project which the Board is planning to cover in future chapters:

- **Market Participants**
- **Market**
- **Proper Marketing**
- **Forced Sales**
- **Assumptions and Special Assumptions**
- **Aggregation and Unit of Account**
- **Highest and Best Use**
- **Transaction Costs**
- **Valuation Date**

Please indicate the perceived priorities from this list and if there are any additional concepts or issues within the IVS Framework that you believe it would be helpful to address.

Response: Chapter 1 incorporates the terms noted above. These terms including Market Participants, Market, Proper Marketing, Assumptions and Special Assumptions, Aggregation and Unit of Account, Highest and Best Use should receive priority when planning projects by the IVSC. Topics such as Forced Sale and Transaction Costs, although important, may not need to be addressed as soon as the other items outlined above. Valuation date is a basic building block in the process of any valuation and should be the first topic addressed by the IVSC.