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Hong Kong Institute of Certified Public Accountants  
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Dear Mr Ong,

**Invitation to comment on  
IVSB Discussion Paper Valuation Uncertainty**

Thank you for your letter of 3 November 2010 inviting the Audit Commission to comment on the captioned subject.

We agree that when material uncertainty attaches to a valuation at a specific date, the disclosure of that uncertainty is necessary when the valuation is reported. To facilitate users in understanding the valuation, we consider it helpful for the disclosure to include both a qualitative statement (i.e. an explanation of the uncertainty identified and the impact that this may have on the valuation) and a quantitative statement (i.e. a numeric expression of the range of possible values created by the uncertainty). For the avoidance of inconsistency and to ensure compliance, the IVSB should include an explicit requirement in the proposed IVS 105, Valuation Reporting, for the disclosure of material uncertainty.

Yours sincerely,

(Andrew Chang)  
for Director of Audit