

Advisory

IFRS Regional Policy Forum **Valuation for Financial Reporting**

Presented by: Nova Chan

*Strictly Private
and Confidential*

6 June 2013

pwc

Challenges in Auditing Fair Value Measurement

Increasing Public Attention

- Fair value measurement becomes a focus of the regulators globally
- US – Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB)
- European Union – Accounting Regulatory Committee (ARC)
- United Kingdom – Financial Reporting Council (FRC)
- China – Ministry of Finance (MOF) and China Securities Regulatory Commission (CSRC)
- Hong Kong – Financial Reporting Council (FRC)

Pervasive Impacts

- Typically, comes as one of the last batch of audit issues to be resolved
- Occasionally, comes as last minutes surprises

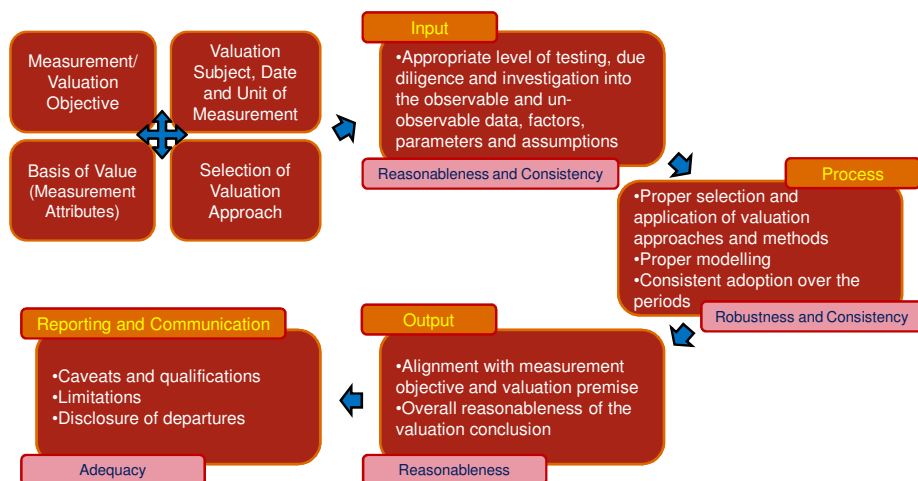
Qualification, Competency and Experience of Management and Management's Expert

- Lack of relevant expertise and experience
- Lack of sufficient knowledge in the accounting and valuation standards
- Unable to support their valuation conclusion when it is being challenged

Three Dimensional Interaction



Reasonableness, Robustness, Consistency and Adequacy



Thank You!

© 2013 PricewaterhouseCoopers Limited. All rights reserved. "PwC" refers to PricewaterhouseCoopers Limited or, as the context requires, the PwC global network or other member firms of the network, each of which is a separate legal entity.