



PRACTICE BULLETIN NO. 3

Effective January 1, 2026

GUIDANCE ON TYPES OF VALUATION REPORTS

1. Practice Standard Nos. 110 and 120 apply to Valuation Reports that provide a conclusion as to the value of shares, assets or an interest in a business. These standards provide for three types of Valuation Reports (Comprehensive Valuation Reports, Estimate Valuation Reports and Calculation Valuation Reports) that are distinguished by the scope of work, the amount of disclosure provided and the level of assurance provided by the conclusion.

There is a distinction between report disclosure and scope of work. This Practice Bulletin does not address matters concerning report disclosure as such matters are explicitly set out in the Practice Standards.

1. The purpose of this Practice Bulletin is to assist the Valuator in:
 - (i) Determining the depth (extent of review, inquiry, analysis, and independent corroboration) of the Scope of Work that is normally appropriate for each of the three types of Valuation Reports; Conclusions (Calculation, Estimate and Comprehensive);
 - (ii) Determining the suitability of the three types of levels of Valuation Conclusions and Valuation Reports for various purposes; and
 - (iii) Assessing the impact of the availability and reliability of information on the type level of Valuation Report Conclusion that should be issued.

Scope of Work by Level of Valuation Conclusion

2. As specified in Practice Standard No. 100:
 - **Comprehensive Valuation Conclusion** – is based on an extensive Scope of Work. A Comprehensive Valuation Conclusion has a Scope of Work that addresses the significant inputs and assumptions in detail. As such, it includes a high level of independent corroboration by the Valuator of significant inputs and assumptions.
 - **Estimate Valuation Conclusion** – is based on a Scope of Work that is substantial, but less extensive than a Comprehensive Valuation Conclusion and more extensive than a Calculation Valuation Conclusion. As such, it includes a

moderate level of independent corroboration by the Valuator of significant inputs and assumptions.

- **Calculation Valuation Conclusion** – is based on a Scope of Work that is less extensive than an Estimate Valuation Conclusion and therefore might only be appropriate in certain circumstances. In a Calculation Valuation Conclusion, the Valuator limits the amount of independent corroboration and may make reasonable simplifying assumptions for certain inputs, and places a higher degree of reliance on client representations.

3. The following table provides illustrative examples of the continuum of the depth of review, inquiry, analysis and independent corroboration that might be undertaken. Generally, this continuum corresponds to the level of Valuation Conclusion being issued with the highest extent of review, inquiry, analysis and independent corroboration of information and factors for a Comprehensive Valuation Conclusion and the lowest for a Calculation Valuation Conclusion. The examples are not intended to be prescriptive of what needs to be undertaken in any particular valuation engagement. A determination of the extent of review, inquiry, analysis and corroboration to be performed in each engagement is necessarily a matter of professional judgment that takes into account all of the relevant facts and circumstances, including the overarching requirement for the Valuation Conclusion to be properly supported and credible for the purpose intended.

Example of Information	Extent of Review, Inquiry, Analysis and Independent Corroboration (“Depth”)	Illustrative Examples of Review, Inquiry, Analysis and Independent Corroboration
Normalizing Adjustments to Earnings / Cash Flows Or Financial Projections	Highest  Lowest	Comprehensive Valuation Conclusion: In-depth analysis of inputs and assumptions, interviews with management, review and assessment of supporting documentation for significant inputs, research and analysis of industry benchmarks. Calculation Valuation Conclusion: Review of inputs and assumptions, consideration and assessment of the reasonableness of management representations using minimal independent corroboration, with comparison to industry outlooks as applicable.
Real Property Market Value	Highest  Lowest	Comprehensive Valuation Conclusion: Property appraisal report by qualified appraiser, at or near the valuation date. Calculation Valuation Conclusion: Management estimate (noted as an assumption) and supported by a high-level opinion from a real estate agent.
Industry research	Highest  Lowest	Comprehensive Valuation Conclusion: Detailed independent research into the underlying industry including relevant risks and opportunities, and consideration of relevant data, including an in-depth review of multiple industry analysis reports. Calculation Valuation Conclusion: General research into the current state of the industry, such as could be obtained by searches of industry association websites and discussions with management as to major industry trends.

3. Below is a summary of the extent of review, analysis and corroboration of significant relevant information that is set out in Practice Standard No. 110 as being the basis of conclusions in each of the three types of Valuation Reports.

Type of Valuation Report	Extent of Review and Analysis	Extent of Corroboration
Comprehensive	Comprehensive review and analysis of business and industry and all other relevant information and factors.	Corroboration of significant relevant information and factors.
Estimate	Limited review and analysis of relevant information.	Limited corroboration of significant relevant information.
Calculation	Minimal review and analysis of relevant information.	Little or no corroboration of significant relevant information.

4. During the course of a valuation mandate, Valuators generally consider and address the following five categories:

- (iv) Economic environment;
- (v) Industry in which the business operates;
- (vi) Company specific non-financial information (e.g., ownership, business background, management, and significant agreements);
- (vii) Company specific financial information (e.g., historical and future orientated financial statements); and
- (viii) Valuation context and assessments (e.g., performing valuation calculations using various valuation techniques and methodologies).

5. Of the foregoing five categories Valuators bring their unique expertise and professional judgement in particular to the category of valuation context and performing valuation assessments. Therefore, even though the Valuator and his/her client may agree to an engagement resulting in a more limited report than a Comprehensive Valuation Report, there will generally be a lesser reduction in the scope of work related to the valuation context and assessments than for other work areas, as illustrated by the table below.

Type of Valuation Report	Economic Environment	Industry Context	Company Specific Non-Financial Information	Company Specific Financial Information	Valuation Context and Assessments
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Comprehensive	High	High	High	High	
Estimate	Moderate	Moderate	Moderate	Moderate	
Calculation	Low	Low	Low	Low	
					Less Extensive

6. This table is provided only to illustrate a typical continuum of scope of work for different types of reports, and is not intended to be prescriptive of what needs to be undertaken in any particular valuation engagement. A determination of the extent of the scope of work to be performed in each particular situation is necessarily a matter of professional judgement that takes into account all of the relevant facts and circumstances including the engagement agreed to between the client and the Valuator.
7. **Comprehensive Valuation Report** — In completing a valuation analysis that is suitable for a Comprehensive Valuation Report, the Valuator must use reasonable efforts to obtain, review, analyze and consider all available information and factors that could have a significant affect on the conclusions reached. Further, this information should be corroborated using reasonable efforts to determine whether it can be relied upon for purposes of arriving at a valuation conclusion. Comprehensive Valuation Reports provide the highest level of assurance.
8. **Estimate Valuation Report** — In comparison to a Comprehensive Valuation Report, Estimate Valuation Reports may be based on a more limited review, analysis and corroboration of economic, industry and company specific information and factors giving consideration to the purpose of the valuation engagement, taking into consideration the cost of expanding the extent of such review, analysis and corroboration in comparison to the added assurance that will be achieved and the need for such assurance. The scope of work undertaken to support the conclusions of Estimate Valuation Reports normally includes review and analysis of economic, industry and other factors that could significantly affect the conclusions reached.
9. **Calculation Valuation Report** — The required extent of review, analysis and corroboration of economic, industry and company specific information and factors in respect of a Calculation Valuation Report may be very limited. The scope of work in these engagements require the gathering of valuation research and the application of valuation techniques and methodologies based on information that may be very limited and that may not have been

corroborated by the Valuator. Valuers in such circumstances may reasonably not be aware of information or factors that could affect the conclusions reached to an extent that may be significant. Calculation Valuation Reports provide the lowest level of assurance.

10. The following table provides illustrative examples of the continuum of the types of review, analysis and corroboration that might be undertaken. Generally, this continuum corresponds to the type of report being issued with the highest extent of review, analysis and corroboration of information and factors being appropriate only for Comprehensive Valuation Reports.

Information	Extent of Review, Analysis and Corroboration	Illustrative Examples of Review, Analysis and Corroboration
Cash Flow Projections	Highest  Lowest	In-depth analysis of assumptions, interviews of management, review and assessment of supporting documentation, research and analysis of industry benchmarks. Minimal level review of assumptions and reliance on management representations without in-depth analysis, review, and/or assessment.
Real Property Market Value	Highest  Lowest	Property appraisal report by qualified appraiser, at or near the valuation date. Management estimate or property tax assessment without in-depth analysis, review, and/or assessment.

11. The foregoing examples of review, analysis and corroboration are provided only to illustrate the continuum of the types of review, analysis and corroboration that might be undertaken and are not intended to be prescriptive of what needs to be undertaken in any particular valuation engagement. A determination of the extent of review, analysis and corroboration to be performed in each particular engagement is necessarily a matter of professional judgement that takes into account all of the relevant facts and circumstances including the level of assurance agreed to between the client and the Valuator.

SUITABILITY OF VALUATION REPORT FOR PURPOSE PREPARED

12. ~~Practice Standard No. 110 states “The type of Valuation Report required is a matter to be discussed and agreed on by the Valuator and the client, and then reflected in the terms of engagement. In arriving at this agreement, the Valuator and the client should consider the purpose for which the Valuation Report is being prepared, the availability of information on which to base a conclusion, and the client’s need for assurance. The Valuator should also consider whether the type of Valuation Report will be credible for the purpose intended ...”~~
13. ~~In reaching agreement with the client on the type of Valuation Report that is required, the Valuator should assess whether the type of Valuation Report to be issued will be suitable for the purpose for which it is to be prepared. The suitability of a Valuation Report to a particular purpose is dependent on the nature of the assurance provided in connection with the conclusion expressed. In making such assessments, fee and time constraints related to an engagement should be viewed with caution. An engagement should not be accepted for which the level of assurance to be provided by the Valuation Report is not suitable for the purpose for which the Valuation Report is required.~~
14. ~~The context for which the Valuation Report is being prepared and the extent of reliance that the user of such report will likely place on the conclusions expressed in making a decision or taking a course of action should be considered in determining the type of Valuation Report that is suitable in a particular circumstance. The extent to which such decisions or actions cannot be changed may influence the level of assurance that is required.~~

Suitability by Level of Valuation Conclusion

4. Some considerations that might be relevant in assessing the suitability of a particular ~~type~~ **level of Valuation Report Conclusion** (and the accompanying **Scope of Work**) are as follows:
- (i) **Extent of reliance** – the extent of reliance on the ~~conclusion expressed~~ **Valuation Conclusion** will vary based on the circumstances. For example, in **contemplation of an open market transaction**, the **user of the Valuation Report** ~~user may~~ **Conclusion might** seek only a general indication of value as the market of buyers has been satisfactorily canvassed and the price of a transaction will ultimately be the result of negotiation or auction. A ~~report~~ **Valuation Conclusion** that provides a lower ~~level~~ **Scope of assurance may** **Work might** be suitable in this situation. In contrast, if an agreement on the price for a transaction or a settlement is being entered into based only on the ~~conclusion expressed in the Valuation Report~~ **Conclusion**, the level of ~~assurance that is~~ **reliance, and therefore the appropriate may** **Scope of Work, would** be greater;
 - (ii) **Significance of the matter to the user** – the degree of significance to the user ~~may~~ **might** increase the degree of ~~assurance~~ **due diligence (level of Valuation Conclusion)** and thus impact the **Scope of Work** that is required;

- (iii) Preliminary nature of the matter – a user ~~may~~might require ~~only~~ a Valuation Conclusion that is based on a limited Scope of ~~review~~Work for the purpose of making a preliminary or interim assessment in the course of an extended matter;
 - (iv) Number of users of the report – where ~~there is a high number of users~~more than one intended user, there ~~may~~might be an increase in the ~~need for assurance~~required Scope of Work and disclosure as the implications of a ~~more~~more limited Scope of Work ~~may~~might not be properly understood by all users ~~or the users might have interests that are not aligned~~;
 - (v) Public availability – if the ~~report~~Valuation Conclusion will be disclosed or referred to in a public document, ~~(such as a securities filing)~~(such as a securities filing), there ~~may~~would typically be an ~~increase in the~~increased need for ~~assurance~~a more extensive Scope of Work as the implications of a ~~more~~more limited Scope of Work ~~may~~might not be properly understood by all potential users;
 - (vi) Contentious nature of the matter (or potential for being contentious) – if the matter is (or has the potential for being) contentious, this increases the likelihood that the Valuation ~~Report~~Conclusion will be used as ~~expert~~expert evidence and ~~may~~might be the basis for a ~~settlement, or judgment, by a trier of fact (e.g., judge, arbitrator)~~settlement, or judgment, by a trier of fact (e.g., judge, arbitrator), which ~~may~~would typically increase the ~~degree~~Scope of assurance ~~Work~~Work that is required; and
 - (vii) Regulations or agreements – regulatory authorities or relevant contracts/agreements (e.g., a shareholders' agreement) ~~may~~might prescribe a certain ~~type~~level of ~~Valuation Conclusion and the nature of the Valuation Report~~.
5. The foregoing considerations are illustrative and are provided only to assist in assessing the suitability of a Valuation ~~Conclusion and Valuation Report~~Conclusion and Valuation Report in various circumstances. These considerations are not intended to be exhaustive or prescriptive of what ~~type level~~type level of Valuation ~~Report~~Conclusion should be issued in ~~any~~any particular engagement. A determination as to whether the ~~type level~~type level of Valuation ~~Report~~Conclusion to be issued will be appropriate for the purpose for which it was prepared is necessarily a matter of professional judgement that ~~takes into account~~considers all of the relevant facts and circumstances.

~~IMPACT OF AVAILABILITY OF INFORMATION ON TYPE OF VALUATION REPORT~~

Availability of Information on Scope of Work

6. One of the considerations in determining the ~~type of~~level of Valuation ~~Conclusion and Valuation Report that is to be prepared~~Conclusion and Valuation Report is the availability ~~and reliability~~and reliability of information on which to base a conclusion. ~~Information that, relative to the Valuator might wish to consider information that exists and/or would typically be available in the scope of work for a Comprehensive Valuation Report might not be necessary in the scope of work for an Estimate or Calculation Valuation Report.~~Information that, relative to the Valuator might wish to consider information that exists and/or would typically be available in the scope of work for a Comprehensive Valuation Report might not be necessary in the scope of work for an Estimate or Calculation Valuation Report. circumstances. The inability of the Valuator to have access to ~~certain pieces of~~certain pieces of relevant information could lead the Valuator to determine

that it is not possible to prepare, say, an unqualified ~~Estimate~~ Valuation Report at one level of assurance ~~Conclusion~~ but that the Valuator could still prepare an unqualified Valuation Report at a lower level of assurance. In such situations, the Valuator should consider whether a Valuation Report of a higher assurance level that expresses a conclusion that is qualified by a scope limitation best serves the users of the Valuation Report or whether an unqualified Valuation Report at a lower level of assurance should be prepared. a Calculation Valuation Conclusion.

7. Determining the impact of the availability or reliability of information on the type level of Valuation Report ~~Conclusion~~ to be issued is a matter of professional judgement that takes into account all of the relevant facts and circumstances including the purpose of the Valuation Conclusion and Report, the level Scope of assurance Work agreed to between upon by the client and the Valuator, and the significance of the unavailable and/or missing information to the conclusion.

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