

PRACTICE STANDARD NO. 210

ADVISORY REPORTS

REPORT DISCLOSURE STANDARDS AND RECOMMENDATIONS

1. Chartered Business Valuators may be retained as experts to provide advice to clients in situations where they are not engaged to render an independent Comprehensive Report, Estimate Report, Calculation Report of value, an Expert Report or a Limited Critique Report. In these circumstances, the Valuator/Expert is considered to be acting as an advisor to his/her client(s) and hence reports arising from such engagements are termed "Advisory Reports".
2. An Advisory Report is defined as **“any written communication containing (a) a conclusion as to the value of shares, assets, an interest in a business or a conclusion as to the quantum of financial gain/loss or any conclusion of a financial nature in the context of litigation or a dispute, or (b) comments on a report containing a conclusion on such matters, prepared by a Valuator/Expert who has not been engaged to act independently.”** An Advisory Report does not include work product that is in the process of being completed that is provided to a client or knowledgeable third party in circumstances where each of the following conditions are met:
 - I. The work product is clearly marked as being in draft form and subject to change;
 - II. The work product is issued for the purpose of obtaining comment, instruction, confirmation or other information required to complete the Advisory Report;
 - III. The Valuator/Expert knows, or reasonably ought to know, that the intended reader(s) does not intend to rely on the work product or distribute the work product to a third party who may in turn rely on such work product; and
 - IV. The Valuator/Expert has a reasonable expectation at the time the work product is provided that an Advisory Report will be completed and issued in due course.
3. **At a minimum, all Advisory Reports shall contain the following information, which is set out herein in bold characters.**
4. **For Advisory Reports where the Valuator/Expert has or should have a reasonable expectation that the report may become available to any party other than the addressee, the report shall contain a clear statement that the Valuator/Expert is acting in an advisory capacity and has not been engaged to prepare an independent Comprehensive Valuation Report, an independent Estimate Valuation Report or an independent Calculation Valuation Report, an independent Expert Report or an independent Limited Critique Report, as the case may be.**

5. **For Advisory Reports that, but for the fact that the Valuator is not acting independently, would otherwise be considered “Valuation Reports”, the applicable report disclosure standards for Valuation Reports (Standard #110) shall be followed.**
6. **For Advisory Reports that, but for the fact the Expert is not acting independently, would otherwise be considered “Expert Reports”, the applicable report disclosure standards for Expert Reports (Standard #310) shall be followed.**
7. **For Advisory Reports that, but for the fact the Valuator/Expert is not acting independently, would otherwise be considered “Limited Critique Reports”, the applicable report disclosure standards for Limited Critique Reports (Standard #410) shall be followed.**

October 7, 2010