
EXPLANATORY MEMORANDUM

Practice Guideline 199.03 Economic Valuations

Updated: MMM 2026

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1. About this Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist Members in understanding Practice Guideline 199.03 (Economic Valuations) ("PG 199.03"). PG 199.03 replaces the previous version last issued in March 2011.

2. Introduction

As part of ongoing monitoring of Professional Practice Documents (PPDs) the Superannuation & Investments Practice Committee identified that several updates to PG 199.03 were required. An observation was made that PG 199.03 should be used far more often than it is, particularly as Actuaries are increasingly being called upon to perform, for example, fair value assessments and economic valuations.

A cross-practice working group was formed to update PG 199.03 consisting of (in alphabetic order):

- Ray Bennett
- Philip Chu
- John Rawsthorne

Amendments made to PG 199.03 were:

- Note that all work performed under PG 199.03 is designated an Applicable Service as defined in the Glossary of General Defined Terms Used in Practice Guidelines (Glossary).
- Replace outdated references to the Code of Conduct with references to PG 1 and the Glossary where relevant.
- Include a section on materiality, similar to additions made to other PPDs in October 2024.
- Require, where there are assumptions for which the Member does not take responsibility, that the Member should not only disclose those assumptions but also state their view on the reasonableness of those assumptions.
- Rewrite the appendix on other guidance, which included updates to incorporate reference to AASB13, IFRS13 and IFRS17, and updates on guidance and commentary issued by the CFO Forum.
- Update for the current Policy for Developing PPDs and align branding.

3. Commencement

This update to PG 199.03 commences on **DD MMM 2025**.

END OF EXPLANATORY MEMORANDUM

Document control

Version	Name of approving Council or Committee	Date of approval	Date of publication
1.0	Council	March 2011	March 2011
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