International Valuation Standards Council

Frank Bollmann
Vice Chairman
IVSC Standards Board

The IVSC – our objectives

Primary objectives:
- Developing high quality international standards and supporting their adoption and use;
- Facilitating collaboration and cooperation among its member bodies;
- Collaborating and cooperating with other international organisations;
- Serving as the international voice for the valuation profession.

The IVSC – who are we?

A private sector organisation acting in the public interest.
- Founded in early 1980s by a number of professional bodies involved in real estate valuation;
- Expanded during 90s and early 00s to include institutes dealing with business valuation;
- 2008 restructured to move away from “organisation of organisations” model to independent boards under oversight of a Board of Trustees;
- Funded partly from member subscriptions, partly by sponsorship.
The IVSC – structure

Board of Trustees
9-15 members
Governance of IVSC
and Fund raising

Standards Board
9 members
Standards Generation
and Maintenance

Professional Board
9 members
Promotion of Profession,
Qualification Benchmarking & Professional Information

The IVSC – how do we work?

The IVSC has no powers. Its authority comes from:

• Consulting with valuation users and regulators to identify their concerns;
• Working with professional valuers to identify solutions;
• Developing and promoting those solutions

Enforcement of and compliance with IVS is by those adopting the standards, eg regulators, professional bodies, clients.

The IVSC – who do we know?

• Established relationships with IASB and FASB, collaboration on fair value guidance
• Securities and Exchange Regulators, eg IOSCO, ESMA, SEC, FSA, AMF, etc
• Prudential Regulators?
• Member of G20 Private Sector Task Force on Regulatory Convergence in Financial Professions and Industries
The International Valuation Standards (IVS)

Objective of Standards:
- To create greater confidence in the valuation process by those who rely on valuations for investment and other financial decisions.

Achieved by:
- Promoting generally accepted concepts and principles to improve the understanding of users;
- Specifying procedures that bring transparency to the valuation process.

The IVSC – Projects

Completely revised IVS published July 2011:
- Establish and promote consistent protocols for valuation delivery
- Reducing diversity by enabling convergence of different standards
- Increase users understanding of and confidence in valuations


The IVSC – Projects

Technical Information Papers
Provide guidance to valuation professionals on application of valuation approaches and methods to different practical situations.

TIPs currently in preparation:
- Discounted Cash Flow
- Cost Approach
- Intangible Assets
- Contributory Asset Charges
- Financial Instruments Valuation Methods
- CVA / DVA Adjustments
**The IVSC – Projects**

**Development of Profession**

Codes of Practice and other documents aimed at developing and strengthening the global valuation profession in the public interest:

- Code of Ethical Principles for Professional Valuers
- The role of the valuer in assisting the auditor
  - MoU between IFAC and IVSC to develop joint guidance. IVSC project underway with working group, draft to be discussed in Board meetings in November.
- Guidelines for the development and reporting of fairness opinions