

# INTERNATIONAL VALUATION STANDARDS

BUILDING TRUST IN VALUATION

## General Presentation

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**Richard Stokes**

Director of Communications



# VALUATION MATTERS!

Whatever the reason for conducting a valuation – including financial reporting, M&A activity, financing, asset acquisitions and disposals, insurance, or determining the capital adequacy of financial institutions – reliable and comparable valuations are vital.

Robust valuations are at the foundation of stable and sustainable financial markets.

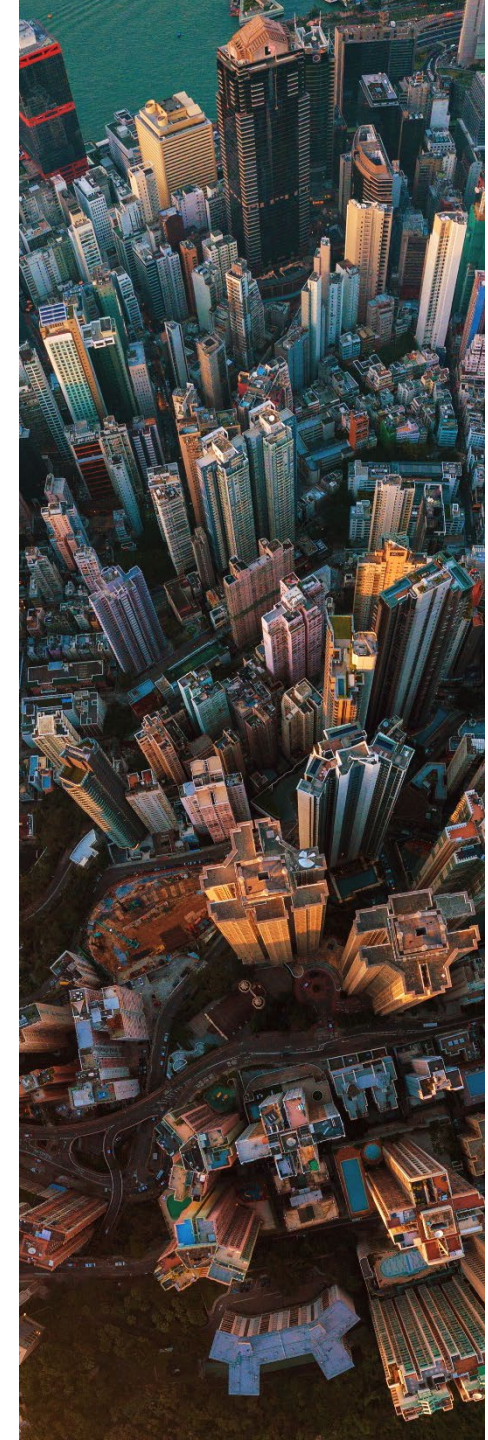




# VALUATION MATTERS!

Valuations are required and carried out for a number of purposes, and for a range of stakeholders. Some of the more common areas where valuation plays a vitally important role are:

- Audit work
- Business Valuations
- Financial reporting
- Fund analysis and compliance
- Investment
- IPO's
- Regulatory Compliance
- REITS
- Secured lending
- Taxation





# OUR MISSION

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Working with our partners, including standard setters, regulators, valuation professional organisations, and professional services firms, the IVSC's goal is to:

Build trust in valuation by establishing globally consistent, high-quality International Valuation Standards (IVS) across all asset classes, and by supporting the growth of the valuation profession.

In achieving this, the IVSC seeks to support business, strengthen financial markets and protect the **public interest**.



# OUR ROLE

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- The IVSC acts as the independent standard setter for the valuation profession.
- We develop, consult on, and set high-level, principles-based standards for the valuation of all asset types.
- The International Valuation Standards are adopted in the guidelines issued by Valuation Professional Bodies, by regulatory authorities, and by valuation service providers.
- The IVSC does not accredit or license valuation professionals. Our role, as an independent and not-for-profit organisation, is to ensure that valuers, and the valuation profession more broadly, have robust and transparent standards in place.



# WHY IVS?

*Establishing International Valuation Standards provides an important guide for valuation professionals worldwide. It ensures consistency and credibility in valuations, which also enables comparison across different companies. Having clear and comparable valuation standards will support the functioning of capital markets.”*

**Indranee Rajah – Minister in the Prime Minister’s Office and Second Minister for Finance, Singapore**

*“Consistency in the quality and reliability of valuations throughout the world is one area where investors can often face challenges; it can lead to added risk”*

**Martin Bruhl – CIO Union Investment**

*"The development and promotion of International Valuation Standards will significantly impact financial and other markets, as lenders, investors, issuers and regulators all benefit from consistency in approach. In Brazil, markets have benefited from a well-conducted adoption of international accounting standards, and this success helps build the case for IVS.“*

**Marcelo Barbosa, Chair of the Brazilian Securities Commission 2017-2022**

*“Global investors are looking to put their money and business in transparent markets where the information available to them is trustworthy and comparable with other countries”*

**Mohamad Al Dah, Dubai Land Department**



# WHY IVS?

*"I have experienced first-hand the value of international standards in strengthening and transforming financial markets. I look forward to supporting the development of International Valuation Standards and advocate for their adoption, particularly in Africa."*

**Japheth Katto, former CEO of the Ugandan Capital Markets Authority 2013**

*"The increased trust and transparency in valuation will nurture the culture of investment and create a stronger economy"*

**Sultan Aljorais, Secretary-General of Taaqem, the Saudi Authority for Accredited Valuers**

*"We are glad that IVSC has chosen to partner Singapore in setting up its Asia office, and look forward to working with IVSC, and other international partners, to develop the business and financing ecosystem in the region."*

**Edwin Tong - Minister for Law and Co-Chairperson of the Singapore IP Strategy 2030**

*"IVS has become the most influential professional valuation standard worldwide and countries should actively seek convergence"*

**Dr Zhang Guochan – Secretary General, China Appraisal Society**







# 180+ MEMBER ORGANISATIONS HEADQUARTERED IN 70 COUNTRIES

The IVSC's network of member organisations spans the world. Members include valuation professional organisations (VPOs), regulators, standard-setting bodies, professional services firms, and end users of valuation services.





# 70+ VALUATION PROFESSIONAL ORGANISATIONS & STATUTORY ENTITIES

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VPO members of the IVSC qualify and accredit more than 340,000 professionals around the world. VPO's have adopted, or are working towards the adoption of IVS – this means they require their professional valuation members to apply the high-level principles set out in the IVS.

Some VPOs use the IVS in place of their own, local rules; others include the text of IVS within their existing standards, which may include additional requirements such as local laws and norms. In both cases, valuers and the markets they serve benefit through common and transparent approaches to valuation.







# PROFESSIONALS APPLYING IVS IN 103 COUNTRIES

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IVS are being applied by professionally qualified valuers in 103 countries today.

In some markets IVS is enshrined in law (for example across the EU through the Mortgage Credit Directive; in some markets where the valuation profession remains unregulated, IVS is established as market best practice by VPOs (for example in the UK, Australia and throughout Asia and Latin America); in some markets it is increasingly being demanded by global investors as end users of valuation data (for example by the Norwegian Sovereign Wealth Fund in the acquisition and disposal of assets).







## Board of Trustees

Provides independent oversight

### Membership & Standards Recognition Board

Leads market-facing efforts to embed IVS

### Europe Board

Leads market-facing efforts to promote and embed IVS across European markets

### Advisory Forum

Acts as a conduit between Valuation Professional Organisations and the technical boards.

### Standards Review Board

Oversees and ensures full coordination between technical boards; leads on ITC has responsibility for the 'General Standards' chapters of the IVS

### Tangible Assets

Technical Board responsible for drafting and consulting on asset-specific standards

### Business Valuation

Technical Board responsible for drafting and consulting on asset-specific standards

### Financial Instruments

Technical Board responsible for drafting and consulting on asset-specific standards

These boards are comprised of global valuation experts from more than 26 countries. They lead development of and public consultation on the standards, meeting physically three times a year and virtually through monthly calls to review and propose updates to the IVS.



# IVSC BOARD OF TRUSTEES 2020



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THANK YOU.

