

Introduction to the International Valuation Standards Council

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Why reliable valuations are needed?

Reliable and trustworthy valuations foster:

- Investment
- Better capital allocation,
- Financial stability, and
- Sustainable economic growth

Approaches to valuation can be inconsistent, making it difficult for users, such as financial institutions, investors and regulators, to determine the quality of values.

Valuation standards help ensure the reliability of representations on “value” made to third parties, investors and regulators.



Where should valuation standards apply?

Valuations are conducted for many reasons:

- Financial reporting
- M&A activity
- Financing
- Litigation and arbitration
- Insurance
- Taxation
- Mortgage and asset-based lending
- Asset sales
- Capital adequacy of financial institutions





The IVSC's Mission

Our mission is to build trust in valuation by:

- Creating robust International Valuation Standards (“IVS”) that ensure consistency, transparency, and comparability in valuations.
- Promoting the adoption of IVS and fostering valuation professionalism worldwide.

To accomplish this, the IVSC works with other standard setters, regulators, Valuation Professional Organisations, valuation service providers, asset managers, investment banks and other end-users of valuation information.



More than 200 member organisations worldwide



Professionals applying IVS in 103 countries

IVS are applied by qualified valuers in 103 countries.

Depending on the jurisdiction, IVS is:

- legally enforced (e.g., the EU's Mortgage Credit Directive),
- established as best practice by VPOs (e.g., UK, Australia, Asia, and Latin America), or
- demanded by global investors as valuation data end users (e.g., Norges Bank Investment Management and the IMF).



Securities regulators are paying attention

Relationship between IOSCO & IVSC

- The International Organization of Securities Commissions (“IOSCO”) is an international body of the world's securities regulators.
- IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation.
- IOSCO and the IVSC, executed a Statement of Cooperation whereby both organizations endeavor to enhance their collaboration to promote high quality valuation practices.



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Current status

- IOSCO is gaining an understanding of the IVS, with the aim of assessing whether they address valuation risk areas as identified by securities regulators.
- IOSCO is anticipated to provide input to the IVSC on proposed amendments to the IVS and developments that are relevant to valuations used for financial reporting and assist in identifying emerging issues concerning valuations.



Thank You

