

How the Standards of the International Valuation Standards Council Work

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What are the International Valuation Standards ("IVS")?

- IVS are a set of high-level principle-based standards for the practice of valuation.
- They cover the valuation of all assets and liabilities.
- IVS provide an internationally-agreed framework for valuations that are widely recognised as the global standard for valuation today.

With no enforcement mechanism, the IVSC depends on local members and regulators.



IVS compliance is subordinate to other regulations

IVS 100.40 Compliance hierarchy – Compliance is a function of:

IVS General Standards



IVS Asset Standards



Legal, statutory, and regulatory or other authoritative requirements appropriate to the purpose and jurisdiction of the valuation. If in conflict with IVS the requirements should be prioritized, explained, documented and reported.

Any other deviations would render the valuation not compliant with IVS

IVS are complementary, not a substitute for other standards: IFRS, Rules of the Court



Relationship of IVS General and Asset Standards

IVS General Standards



IVS 100

Valuation Framework



IVS 101

Scope of Work



IVS 102

Bases of Value



IVS 103

Valuation Approaches



IVS 104

Data & Inputs



IVS 105

Valuation Models



IVS 106

Documentation & Reporting

IVS Asset Standards



IVS 200

Businesses & Business Interests



IVS 210

Intangible Assets



IVS 220

Non-Financial Liabilities



IVS 230

Inventory



IVS 300

Plant, Equipment & Infrastructure



IVS 400

Real Property Interests



IVS 410

Development Property



IVS 500

Financial Instruments

The General Standards apply to all Asset Standards

IVS get implemented in several ways

International Valuation Standards

Legislation

- Slovenia (Audit Law)

Delegated Authority Derived from Law

Compulsory Accreditation

- Indonesia: Masyarakat Profesi Penilai Indonesia (MAPPI)
- India: Insolvency and Bankruptcy Board of India (IBBI)
- US: Proposed Tax IRS rule 230

Optional Accreditation

- ACRA-IVAS Singapore
- VPOs: Royal Institution of Chartered Surveyors
- Private firms: Big Four

Referenced by adjudicators and parties in judicial proceedings

- Referenced in case law
- Used as “best practices” by experts
- Required performance of IVS compliant valuation



Responding to a rapidly changing world

While current IVS are designed address current issues in valuations, increased demands by stakeholders, including financial institutions, investors and regulators, has led to continuing evolution due to:

- New types of assets and liabilities, including digital assets
- Changes in technology
- Increased use of specialists and service providers
- Additional focus on issues related to sustainability



Thank You

