

May 28, 2012

International Valuation Standard Council

41 Moorgate
London EC2R 6PP
United Kingdom

RE: Comments on the IVSC Exposure Draft – Procedural Guidelines for Fairness

Opinions

Dear Sirs,

OIV is pleased to submit its comments on the Exposure Draft “Procedural Guidelines for Fairness Opinions”.

OIV is the Italian valuation standard setter. OIV is a foundation established by professional associations (chartered accountants and accounting experts, financial analysts, chief administrative and financial officers), Borsa Italiana (the Italian Stock Exchange), Assirevi (the Italian association of independent auditors) and Università Bocconi. OIV intends to advance the dissemination of valuation standards that are both consistent with IVSs and capable of reflecting the specificities and peculiarities of the Italian business landscape.

OIV discussed the IVSC’s ED through an ad hoc working group. The working group thought that the ED is well-structured and well-built, but it identified two areas where its content overlaps in part with Italian laws and other international standards. Our comment will focus solely on question 3, the area of concern for these issues.

Question 3:

Paragraphs 3& 4 of the Exposure Draft describe what a fairness opinion is and also what it is not.

- a) Is this description consistent with fairness opinions delivered in those jurisdictions within which you operate ?*
- b) Do you consider it helpful for users and in the wider public interest for the IVSC Guidelines to attempt to define the nature of a fairness opinion ?*

OIV Response

- a) Is this description consistent with fairness opinions delivered in those jurisdictions within which you operate ?*

OIV notes that, in Italy, professional valuations and opinions on asset contributions, corporate reorganizations, mergers and demergers are governed by specific legislation. The structure of these valuations and opinions may differ from that outlined by the Procedural Guidelines contained in the Exposure Draft. As the adaptation of the structure contained in the IVSC document to the different laws in the individual countries would be a needless exercise, after the Procedural Guidelines are released in their final version, OIV will issue further guidelines for domestic application in keeping with both Italian legislation and the conceptual framework of the IVSC's final document. As such, Italy may feature opinions and valuations whose structures and contents do not conform to the IVSC's definition of fairness opinion, even though their functions are the same (protection against potential conflicts of interests and/or support to directors' decision-making in valuation matters).

b) Do you consider it helpful for users and in the wider public interest for the IVSC Guidelines to attempt to define the nature of a fairness opinion ?

OIV feels that defining the nature of a fairness opinion would be very helpful, also to prevent the different interpretations that might be given to this activity in the various countries. However, a clarification would be in order, to understand the difference between fairness opinion, as defined in the ED, and assurance engagement, as defined by the IAASB (International Auditing and Assurance Standards Board) in the ISAE 3000 (Revised), "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information". In fact, a fairness opinion intended for third parties as well as the client may fall within the scope of the cited ISAE 3000. In this case, the IVSC might want to address the relationship between the IVSC's Procedural Guidelines and ISAE 3000.

We hope that this submission is helpful to you. If you have any questions regarding our comments, please do not hesitate to contact Mauro Bini – Consiglio di Gestione OIV (mauro.bini@unibocconi.it).

Best regards,

Prof. Mauro Bini