



Promoting a European Valuation Profession

INTERNATIONAL VALUATION STANDARDS COUNCIL



What is the IVSC?

International Valuation Standards Council

The IVSC is a United Nations recognised independent body with over 100 members and sponsors that sets global standards for valuation, especially those relied upon by investors and other third party stakeholders. It also promotes the development of the valuation profession around the world and collaborates and cooperates with other organisations concerned with standards and regulation in the financial markets.

VPOs, Universities, Standard Setters and Corporates can join. For more information email contact@ivsc.org or go to www.ivsc.org

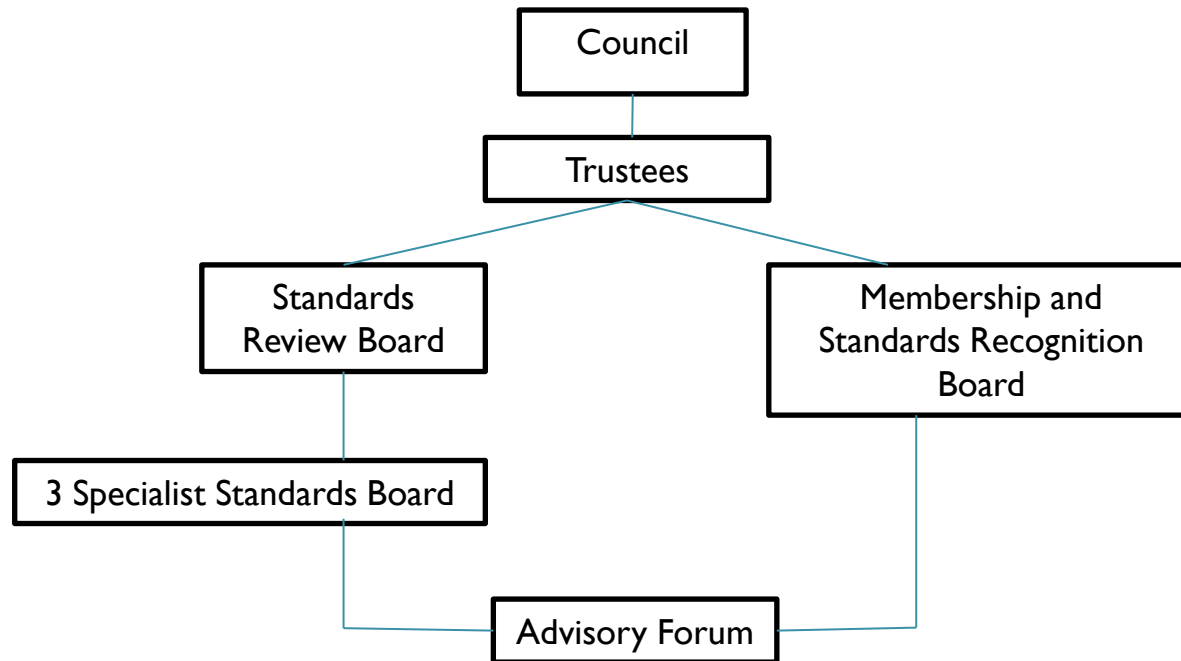


What does IVSC want to achieve?

1. Develop high quality international valuation standards which are adopted to underpin consistency, transparency and confidence in valuations across the world;
2. Encourage professionalism and adoption of standards, increasing the status of the profession



IVSC Structure



Business Valuation activity

- Business Valuation Standards Board
- Encouraging development of BV professionalism
- Establishing a European, and Global BV network
- IVSC involved in BV conferences and regulator liaison in Singapore, Hong Kong, Malaysia, China and India
- IVSC provided support to CEIV credential in US
- Considering BV quality mark to encourage increased global professionalism

Changes we are seeing globally

- Examples of government or regulator interest:
 - US
 - Middle East
 - Hong Kong
 - Singapore
 - China
 - India
 - Malaysia

Why Global Standards – the Example of IFRS

The IFRS Foundation and the IASB are dedicated to developing and sustaining a single set of **globally accepted accounting standards**:

- Aimed at **providing high-quality, transparent and comparable information** for investors and other users of financial information
- Providing the world's integrated capital markets with a **common language for financial reporting**
- Promoting capital market stability through the **transparency and integrity of financial reporting**
- Taking appropriate steps with regulators and standard-setters to help promote **consistent application of standards**



Why Global Standards are Needed

Accounting and valuation standards evolved nationally because companies borrowed and investors invested only in their home country.

- Globalisation is inconsistent with multiple, national or regional accounting and valuation languages that **hinder comparability**
- Corporations must consolidate global network of operations
- Investors seeking diversification and return increasingly invest outside domestic markets

Valuation at the Core of Economic Stability

- Valuations undertaken in accordance with generally accepted principles are central to financial stability and for financial reporting under IFRS and US GAAP
- Poor valuation practice was identified by the Financial Stability Forum and the G20 as a significant contributor to the 2008 financial crisis with a particular focus on financial instruments, where there was much inconsistency in valuation between financial institutions as well as across national borders
- Reliable and consistent valuation is also of fundamental importance to prudential regulators and market participants in determining the capital adequacy of financial institutions
- Valuation is an integral part of the risk management processes applied by financial institutions and other businesses

What is a Profession?

- **A learned and respected body of individuals – exclusivity**
- An organised body to create and uphold standards
- Agreed standards based on a conceptual underpinning
- Entry requirements
- Code of Ethics
- Core training leading to qualification
- Work experience
- Assessment of competence
- Continuing Professional Development
- Monitoring and oversight

IVSC view of Professionalism

- Professionalism Framework
- Code of Professional Ethics
- Competence Framework for Professional Valuers

Professional Membership Obligations

Initial Professional Development

- Entry Requirements to Accreditation Programmes
- Professional Skills and Ethics
- Technical Knowledge
- Practical Experience
- Assessment of Professional Competence
- Continuing Professional Development

The Future of the Profession

- IVSC in partnership with the VPOs
- Global reach
- Strong European Network
- A place among the international professions
- IVSs required by IFRS and regulators – implemented by internationally accredited valuers

Thank you

