



International Valuation Standards Committee

IVSC E-News Issue 5 June 2006

Developing global valuation standards

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IVSC meetings

The IVSC 2006 Annual General Meeting is to be held in Beijing on 26 September. The IVSC Standards Board is meeting on Saturday 23 and Sunday 24 September also in Beijing. The Standards Board meetings are open to observers who have registered their attendance in advance. Please contact the IVSC Executive Director – mtissier@ivsc.org – if you wish to attend.

Conferences

23rd Pan Pacific Congress of Real Estate Appraisers, Valuers and Counselors. San Francisco, 16–19 September 2006

'The Valuation Revolution: New Partners, Borderless Markets, Innovative Technology.'
www.appraisalinstitute.org/ppc

New exposure drafts issued

The IVSC has published for public comment the following two exposure drafts:

Proposed Revised International Valuation Standard 2
– ***Bases other than Market Value***

Proposed Revised International Valuation Application 2
– ***Valuation for Lending Purposes***

Introducing the Exposure Drafts, Joseph Vella, IVSC Chairman, said: "In line with IVSC objectives of maintaining and developing high quality standards we keep existing standards under review to ensure that they remain relevant and reflect current best practice. IVS 2 was one of the initial standards and the Board considered that it needed updating in the light of the debates on the use of value in financial statements, and the evolution of other parts of the International Valuation Standards." Vella continued, "Although in the recent past the IVSC has focused on valuations for financial reporting as required by International Financial Reporting Standards (IFRS), valuations for loan security account for a high percentage of valuations carried out in the real estate sector. Much of bank lending worldwide is secured against property. On-going new developments such as the new Basel Accord are driving the need for banks, whatever countries they operate in, to value property collateral on a consistent basis. Changes are proposed to IVA 2, Valuation for Lending Purposes to reflect these developments."

The Exposure Drafts are available on the IVSC web site – www.ivsc.org – and comments are invited before 31 August 2006.

Two other IVSC exposure drafts are open for comment until 31 August 2006:

Proposed International Valuation Application
– ***Valuation of Public Sector Assets for Financial Reporting***

Proposed International Valuation Guidance Note
– ***The Valuation of Historic Property***

The valuation of real estate serving as collateral for securitised instruments

The IVSC has also issued a White Paper – ***The Valuation of Real Estate Serving as Collateral for Securitised Instruments***, available on the IVSC website. White Papers are issued by the IVSC to provide broad interpretations, highlight specific disclosures and commentary about current or special issues, and issues that may be in flux. They may also act as an interim measure prior to issuance of a valuation application or guidance note by IVSC. White Papers are not subject to a formal exposure process. However the IVSC welcomes comments on any aspect of a published White Paper, in particular whether there is a need to develop the paper into more formal guidance.