



International Valuation Standards Committee

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IVSC 2007 Annual General Meeting

The 2007 AGM is to be held in London on Monday 19 November

Fair Value of Intangible Assets

The IVSC Discussion Paper, ***Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes*** is now available on the IVSC website.

Shan Kennedy, technical consultant to the IVSC Intangible Asset project, is to chair a one day masterclass on intangible asset valuation for IFRS 3 on 5th September. Shan herself will discuss the IFRS requirements and the findings of the IVSC project team. The class, held at the London School of Economics, will also feature presentations by Brand Finance's directors and external experts on advanced technical topics relating to IFRS valuations of intangible assets including: an explanation of the differing valuation methodologies, a detailed case study from a client perspective, an overview of the practical considerations when undertaking IFRS-related valuations and insight from leading valuers at both Brand Finance and PricewaterhouseCoopers.

Further details can be found at: www.brandfinanceforum.com

FASB invites IVSC to join its valuation resource group

The IVSC is to be a member of a new Valuation Resource Group being set up by the US Financial Accounting Standards Board (FASB). Chris Thorne, the current Vice Chairman of the IVSC Standards Board will be representing the IVSC on this group.

The creation of the Group is an outcome of the discussions on the Invitation to Comment, *Valuation Guidance for Financial Reporting*, issued by FASB in January 2007. Joseph Vella, IVSC chairman, said, "The FASB document and ensuing discussion has helped raise awareness of the critical importance of rigorous valuation standards and guidance to financial reporting. In the US, the diverse groups that provide valuation guidance creates the potential for confusion and inconsistent application of valuation standards and practices highlighting the necessity for amalgamation. The introduction of Statement of Financial Accounting Standards No 157 (FAS 157), *Fair Value Measurements*, for fiscal years beginning after 15 November 2007 provides the foundation for FASB to act to ensure greater consistency of valuations being prepared under the Statement 157".

The IVSC is the only non-US based body represented on the FASB group. Chris Thorne commented: "As the main focus will be valuation issues arising under the US standards, it is natural that the group is made up of American practitioners. However, FASB is keen for the group to have input from an international perspective to avoid convergence problems suffered in recent years by FASB and IASB in bringing their respective accounting standards together".

Thorne believes for valuation to be accepted by the markets as a providing more relevant information to investors than historic cost the valuation profession must come together to establish globally recognised fundamental principles. It is also important that valuation opinions are provided independently and ethically by professionals that are accountable. "Too often the debates on the use of valuation in financial statements focus on the science of different techniques. However, the most sophisticated techniques in the World will not produce "better" values unless those preparing them are demonstrably using inputs that are objective and free from the influence the current owner".

For further information see www.ivsc.org