



INTERNATIONAL VALUATION STANDARDS COMMITTEE

NEWS RELEASE

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‘IVS 2000 PUBLISHED’

The development of a global financial language will move a step closer with the publication of the 2000 edition of ‘International Valuation Standards’ – ‘**IVS 2000**’.

IVS 2000 are to be launched on 12 July at ‘Valuation 2000’, a major conference being held in Las Vegas.

IVSC Chairman, Greg McNamara, said, “Property is a significant element of global business. It is often used as collateral for bank lending, and the volatility of property markets over recent years has contributed to the economic turbulence in stock markets from time to time. IVS 2000 – the most comprehensive edition published by the IVSC to date – is our response to the overwhelming demand for a single benchmark of international standards to meet the needs of users, capital markets, regulators, national valuation and appraisal institutes, and individual valuers and appraisers.”

IVS 2000 is the first publication to emerge from the IVSC Standards Project launched on 1 January 2000. This three-year project aims to produce a comprehensive and robust set of international valuation standards and guidance by 2002.

One of the primary objectives of **IVS 2000** is to align valuation standards for the purposes of financial reporting with international accounting standards (IAS) promulgated by the International Accounting Standards Committee (IASC). John Edge, IVSC Vice Chairman, who represents IVSC on the IASC Consultative Group and who assisted IASC in the development of International Accounting Standard, IAS 40, *Investment Property* said, “Since property valuations for financial reporting purposes must be based upon the accounting requirements and rules, it is essential that the two inter-relate smoothly and effectively. The move towards a fair value accounting model, particularly for investment property and at owners discretion in respect of owner-occupied property, will increasingly demand the services of external or independent valuers to meet the needs of those accounting requirements by making assessments of market value of property assets”.

The IVSC Standards Project was launched in response to a number of pressures for international standards, including

- The requirement of many governments for valuations of publicly owned assets, for the purpose of accountability, measurement of performance and financial transparency.
- The trend towards the privatisation of government enterprises.

- The development of international accounting standards. Two recent announcements have confirmed IAS as the global set of accounting standards. In May, the International Organisation of Securities Commissions (IOSCO) endorsed the use of IAS for cross-border offerings and listings. In June, the European Commission announced that it intends to introduce a legislative proposal to mandate IAS for all listed EU companies by 2005 at the latest.
- The needs of emerging economies with no established skill or depth in real estate appraisal.
- The need for a commonly recognised and reliable international template of asset measurement for collateral purposes.
- The work of the Basel Committee on Banking Supervision.
- The need for common performance measurement of both real estate and securitised assets, in order to measure property, portfolio and company management performance.

NOTES TO EDITORS

1. Press Enquiries

Greg McNamara, IVSC Chairman, Telephone: +61 3 6223 5799, E-mail: mctapvaluers@bigpond.com.au

John Edge, IVSC Vice Chairman, Telephone: +44 20 7629 8171, E-mail: john.edge@knightfrank.com

Marianne Tissier, IVSC Executive Director, Telephone: +44 1442 879306, E-mail: mtissier@ivsc.org

2. The IVSC is an unincorporated association comprising professional valuation associations from some 50 countries. It has published International Valuation Standards since 1985. The IVSC is a NGO (Non Government Organisation) member of the United Nations. IVSC works co-operatively with Member States and maintains liaison with international agencies, such as the Organisation for Economic Co-operation and Development (OECD), the World Bank, the International Monetary Fund, the World Trade Organisation, the Commission of the European Union, and the Bank for International Settlements. IVSC also maintains a close relationship with standard-setting bodies, such as the International Accounting Standards Committee (IASC), the International Federation of Accountants (IFAC), and the International Organisation of Securities Commissions (IOSCO).
3. An order form, giving details of the contents of IVS 2000 and instructions for ordering, is attached.
4. On 17 May 2000, the International Organisation of Securities Commissions (IOSCO) recommended that its members allow multinational issuers to use 30 IASC standards, as supplemented by reconciliation, disclosure and interpretation where necessary to address outstanding substantive issues at a national or regional level. IOSCO believes its recommendation will facilitate cross-border offerings and listings by multinational enterprises and will promote the further development of internationally accepted accounting standards.

5. On 13 June 2000, the European Commission published a strategy for future financial reporting in Europe. The Commission will come forward with proposals before the end of 2000 which would require all EU companies listed on a regulated market to prepare consolidated accounts in accordance with International Accounting Standards. This requirement would enter into force at the latest from 2005 onwards. Member States would be allowed to extend this requirement to unlisted companies and for preparing individual accounts. Since transparency and comparability are of particular importance for financial institutions, this policy will also cover listed banks and insurance companies.