GLOBAL VALUATION ISSUES

IVSC

MESSAGE FROM THE CHAIRMAN

The end of the IVSC Standards Project is coming up fast. It has been a huge success and the IVSC has achieved a profile we could hardly have dreamed off when we began the project 2 years ago. The IVSC Board is now finalising a business plan for 2003-2005 to ensure that the IVSC builds on this success and the considerable investment that many – individuals, member institutes and, of course, our sponsors – have made.

Two key themes are emerging as of crucial importance. One is that the International Valuation Standards need to be widely available. At its meeting in Washington DC in April, the Management Board agreed that the next edition of the IVS – due early 2003 – should be made freely available on the web; printed copies will also be available at a modest cost. This decision is a positive demonstration of the commitment by the IVSC to building the global valuation capacity, both in developed and developing countries.

The other key theme is the need to continue to make the IVSC standard setting process even more rigorous A new Standards Board is to be proposed. Members of the Board will be appointed on technical ability and from a wider constituency than just IVSC member institutes. This new Board will develop drafts of new standards and guidance, but final approval will rest with the Management Board. The Board is also hoping to strengthen the executive staff with the appointment of a technical director.

The proposed IVSC business plan will be an agenda item for the 2002 AGM. I hope that as many IVCS member institutes as possible will join in the debate.

The development of global standards impacts on us all. As I was writing this, the news broke that my own country, Australia, is to adopt the International Accounting Standards by 2005. The success of the IVSC means that the valuation profession is a key player in the global environment; certainly not sitting on the sidelines!

GREG McNAMARA
LFAPI,A.I.Arb
IVSC Chairman

IVSC 2002

IN THIS EDITION

IVSC WORK PROGRAMME

NEW EXPOSURE DRAFTS

The following exposure drafts will be available on the IVSC web site –www.ivsc.org – from early July. Comments are requested by 31 December 2002 although earlier response would be welcomed:

- Proposed International Valuation Guidance Note – Valuation of Agricultural and Rural Properties
- Proposed International Valuation Guidance Note – Reviewing Valuations
- Proposed International Valuation Guidance Note – Personal Property
- International Valuation Commentary – Valuation of Mortgage Portfolios for Securitisation Purposes. Commentaries are issued by the IVSC prior to issuing draft standards or guidance. The Commentary on Valuation of Mortgage Portfolios for Securitisation Purposes is the first instalment of an ongoing IVSC project on securitisation-related valuation issues. Future papers will address the various categories of securitised equity instruments - property trusts, property unit trusts, or real estate investment trusts (REITs); shares in Real Estate Operating Companies (REOCs); and Real Estate Mortgage Investment Conduits (REMICs).

Later in the year, three more exposure drafts will become available:

- Proposed International Valuation Application – Public Sector Asset Valuation
- Proposed International Valuation Application – Mass Appraisal of Real Property
- Proposed International Valuation Guidance Note – Specialised Trading Properties

OTHER ISSUES ON THE 2002 AGENDA

- Commentary on Retrospective and Prospective Valuations to be developed
- Guidance on the Valuer/Auditor relationship to be developed. This project will consider relevant International Standards on Auditing (see page 10)
- Valuation for the Insurance Industry
- Valuation for Extractive Industries
- Part 2 of the IVSC Securitisation project.
- Monitoring possible changes to the International Accounting Standards and providing responses and guidance. Issues under consideration include:
  - Exposure Draft, Improvements to International Accounting Standards
  - Exposure Draft, First Time Application of International Accounting Standards
  - The IASB Revaluation Project
  - Business Combinations

INTERNATIONAL ACCOUNTING STANDARDS – AN UPDATE

EUROPE ADOPTS INTERNATIONAL ACCOUNTING STANDARDS

In early June the European Finance Ministers formally approved the European Regulation requiring listed companies, including banks and insurance companies, to prepare their consolidated accounts in accordance with International Accounting Standards (IAS) from 2005 onwards. European Union (EU) Member States have the option of extending the requirements to unlisted companies and to the production of individual accounts. Member States may defer application until 2007, primarily for those companies that are listed both in the EU and elsewhere and currently use US Generally Accepted Accounting Principles.

As a result, by 2005 approximately 7,000 publicly listed EU companies will be required to prepare financial statements in accordance with IAS.This is a monumental leap from the 350 or so companies that currently use IAS. The application of IAS by European professionals will be challenging. The standards will be applied by professionals in at least 15 different countries despite some deep-seated differences in national traditions.

One example of such differences is that traditionally accounting in many Anglo-Saxon countries reflect "true and fair" view of the condition of the firm rather than a "conservative" view adopted in most continental European countries.The principle of conservatism is consistent with financial systems where open capital markets have historically played a limited role.

Another challenge will arise because IAS is a set of high-level standards – a principle-based rather than rules-based approach. Having principle-based standards could create an issue on how to address the potential differing interpretations that can arise when the standards are applied in practice – not only by professionals from different countries, but also professionals from different audit firms,and in an environment of extensive and immediate change from practices these professionals may have followed during their entire careers. Everyone wants to avoid the emergence of multiple interpretations of IAS for identical transactions. The International Valuation Standards have a role to play in ensuring consistent measurement of fixed assets. If all allowed or required valuations under IAS are determined in accordance with IVS, there should be consistency at least in this area of IAS application.

Finally, the IAS are increasingly moving towards measurement at fair value rather than an historic cost approach.The Financial Reporting Group of Ernst & Young* say, *"By adopting IAS, Europe is embracing a vision for financial reporting that is not necessarily that widely known or understood. It is a vision that considers fair value measurement to be paramount, and rejects historical costs, accruals and the realisation principle as irrelevant."* For example, IAS 40, Investment Property adopts a fair value model. Until recently, 13 out of the 15 EU Member States had no accounting standard for investment property. A number are moving rapidly to introduce one. Similarly, the revaluation of property (permitted as an alternative treatment under IAS 16, Property, Plant and Equipment) is currently prohibited in a number of EU Member States. Listed companies will now have the option to revalue.

Constantine Cotsilinis**, Pricewaterhouse Cooper's head of assurance in Greece and a member of the supervisory board for the European Financial Reporting Advisory Group (EFRAG) considers that *"the biggest technical difficulty most companies will have in making the transition from Greek GAAP to IAS is the use of fair value accounting.This is expected to result in significant numerical differences in areas such as fixed asset valuations.."*

Many in Europe believe that although the Regulation only applies to publicly traded companies, Member States will extend the application of endorsed IAS to a great many

* *Ernst & Young (2001) 'IAS/UK GAAP Comparison'*

** *PricewaterhouseCoopers,World Watch April 2002 www.pwcglobal.com/corporatereporting* more companies. Spain is considering requiring use of IAS for all companies. The UK government has said that it may wish to extend the Regulation to individual financial statements and unlisted companies from 2005 or later and is expected to consult on this proposal shortly. In the meantime, however, the UK Accounting Standards Board has issued a number of exposure drafts that propose new UK accounting standards based on IAS.This represents the first major step to align the text of UK standards with that of international standards as part of a gradual and managed process of change. Should these drafts be accepted, the ASB is in effect extending the requirement of IAS to cover all UK companies. Denmark, Ireland and Sweden are expected to adopt IAS as national standards prior to 2005.

Some countries are bringing the 2005 date forward. The Greek government recently passed legislation that adopted IAS for financial reporting in Greece in 2003. Legislation to allow earlier use of IAS is in preparation in the Netherlands and Luxembourg.

And of course it is not just the EU Member States who are affected.Norway and Iceland, members of the European Economic Area, will also adopt the legislation. The thirteen countries seeking EU membership will also need to adopt the legislation. Some are jumping the gun. The Czech Republic now permits companies to choose between Czech standards and IAS and most large companies are expected to adopt IAS to ensure that their financial statements are comparable with the rest of Europe.

INCREASING USE OF IAS AROUND THE WORLD

Australia – on 3 July the Financial Reporting Council (FRC) of Australia endorsed formally the adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) for Australian reporting entities by 1 January 2005. The FRC's decision is in line with Australian Government policy and legislation calling for the international convergence of accounting standards.

USA - In a landmark speech in Germany titled Moving Toward the Globalisation of Accounting Standards, the Chief Accountant of the US Securities and Exchange Commission raised the possibility that the SEC will accept financial statements from foreign registrants prepared on the basis of IAS without reconciliation to US GAAP:

"The prospect that some 7,000 listed companies in the European Union member states will be satisfying their listing requirements by disseminating financial statements prepared under IAS is one that we at the SEC must give serious consideration to vis à vis our filing requirements."

The alarming exposure of a series of financial reporting and auditing lapses in the US in recent months is forcing the Congress, the SEC and the investing public to face up to the need for reform.The US has been resistant to adopting IAS partly on the basis that US standards are the most comprehensive and best-quality in the world. As the list of US accounting scandals mounts, it is hard to maintain such a position.

Canada - Pressure is also mounting on the US with the news that the Canadian Securities Administrators is consulting on a proposal to allow certain eligible foreign issuers to submit financial statements prepared using International Accounting Standards without reconciliation.

Singapore - The government of Singapore has accepted all the recommendations of the Disclosure and Accounting Standards Committee.As a result Singapore is to adopt the standards issued by the IASB.Compliance with the prescribed accounting standards will be mandated on or after 1 January 2003.

The list that countries that require the use of IAS is growing and now includes – Armenia, Barbados, Bangladesh, Brunei Darussalam, Costa Rica, Croatia, Cyprus, Dominican republic, Ecuador, Egypt, Georgia, Haiti, Honduras,Jamaica, Kenya, Kuwait,Macedonia, Malta, Nepal, Oman, Panama, Peru, Romania (for companies of national important; by 2005 for all large companies), Trinidad & Tobago,Yugoslavia.And a further 33 countries current permit or require use of IAS for some companies.

INTERNATIONAL ACCOUNTING STANDARDS BOARD PROPOSES WIDE-RANGING IMPROVEMENTS

The IASB in May published for comment proposals to revise 12 of its 34 active standards.The proposals are contained in Exposure Draft, Improvements to International Accounting Standards.

This exposure draft is the first product of the IASB's Improvements project, which aims to raise the quality and consistency of financial reporting by drawing on best practice from around the world,and removing options in international standards. The project has been given added impetus by the EU's decision to require use of IAS by 2005.

The exposure draft is nearly 400 pages long. Some of the key proposed changes for the valuation profession are:

IAS 16, Property, Plant and Equipment

- Paragraphs 21 and 22 to be amended to specify that exchanges of items of property, plant and equipment (regardless of whether the assets are similar) are measured at fair value, except when the fair value of neither of the assets exchanged can be determined reliably.

- Paragraph 64 has been amended to require disclosure of the following for items of property, plant and equipment stated at revalued amounts:
  - The methods and significant assumptions applied in estimating the assets' fair values;and
  - The extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arms' length terms or were estimated using other valuation techniques.

The exposure draft also refers to current research on revaluation issues. The Board is participating in research activities with liaison standard setters on issues concerning revaluations of property, plant and equipment. This research is intended to increase international convergence of standards dealing with revaluations. One of the most important issues being addressed is identifying the preferred measurement attribute for revaluations.This research could lead to future proposals for amendment of IAS 16.

IAS 17, Leases

Main change proposed is to clarify that when a lease of both land and buildings is classified,the lease shall be split into two elements – a lease of land and a lease of buildings.The land element is generally classified as an operating lease under paragraph 11 of IAS 17.The buildings element is classified as an operating or finance lease by applying the conditions in IAS 17.

IAS 40, Investment Property

The main changes proposed are:

- To amend the definition of investment property to permit a property interest held by a lessee under an operating lease to qualify as investment property provided that the rest of the definition of investment property is met; and the lessee used the fair value model set out in IAS 40;

- To require a lessee that classifies a property interest held under an operating lease as investment property to account for the lease as if it were a finance lease.

The Board also discussed whether to remove the choice in IAS 40 of accounting for investment property under either a fair value (market value) model or a cost model. The choice has been included for two main reasons. The first was to give preparers and users time to gain experience with using a fair value model. The second was to allow time for countries with less-developed property markets and valuation professions to mature. The Board decided that more time is needed for these events to occur but it will keep the matter under review with a view to reconsidering the option to use the cost model at a later date.

Copies of the Exposure Draft are available from IASB Publications Department – Fax +44 (0)20 7353 0562; email: publications@iasb.org.uk.

FIRST TIME APPLICATION OF IAS

In coming years, entities in many jurisdictions will adopt international accounting standards for the first time. The problems faced by an entity that adopts an entire accounting regime for the first time are very different to those faced when adopting individual changes in an existing body of accounting standards. A number of concerns have been expressed about the complexity of this task (particularly within Europe) and on the existing guidance on first time application.

The exposure draft is due to be available shortly. The following tentative decisions have been taken by the IASB that will impact on measurement and reporting of fixed assets.

"Measurement – The measurement of assets and liabilities at the date of transition (i.e. in the opening balance sheet) is to be based on restatement of the initial cost (gross carrying amount) and subsequent adjustments of the initial cost (such as depreciation and impairment losses) to arrive at the net carrying amount at the date of transition. However, if the initial cost of an item in the opening balance sheet cannot be determined under International Financial Reporting Standards without undue cost and effort, remeasure the item at its fair value at date of transition; this value will be the deemed cost of the item for any subsequent measurement purposes. However, this 'undue cost and effort' exception is restricted to items of property, plant, and equipment, and investment properties accounted for under the cost model (under the alternative in IAS 40, Investment Property).

Past one-time remeasurements to fair value. The IASB tentatively agreed to grant relief from the requirement to restate the initial cost of an asset under IFRS in the opening balance sheet, where determination of the cost under local GAAP resulted from a one-off remeasurement to fair value in the context of, for example, a past privatisation or IPO that established a deemed cost at the cost. However, the IASB rejected providing further relief where ad hoc revaluations or ad hoc adjustments for inflation were made."

REVALUATION ON IASB NEW WORK PROGRAMME

The IASB announced its new programme of technical projects on 27 June to build on and carry forward its initial agenda.

The main programme comprises three elements:

- Consolidations (including special purpose entities – SPEs)
- Revenue – definition and recognition - and related aspects of liabilities
- Convergence on topics on which the IASB believes that a high quality solution is available from existing international and national standards:
  - Pension accounting
  - Income taxes
  - Segment reporting
  - Revaluations

In addition the IASB proposed to embark on active research, often in collaboration with others, on:

- The application of international accounting standards to small and medium-sized entities and in emerging economies (the SME project)
- Lease accounting
- Accounting concepts, including a strategic review of the basic elements of accounting and design work on measurement, focussing initially on impairments
- Aspects of accounting for financial instruments

The intention is that, when preparatory work on these topics is concluded, they should be moved to the IASB's main agenda.

Looking further forward, the IASB will encourage the national standard-setters and others to carry out initial work on projects that may in time be included in the IASB's main agenda. These projects include:

- Management reporting in relation to financial reports
- Accounting for extractive industries
- Accounting for public and other concessions

Revaluation - The question of revaluation has moved onto the IASB main agenda.It was a topic on the first IASB agenda being developed by national standard setters. The IASB asked the 'Revaluation Group (which included representatives of national standard setters from countries where revaluation is permitted – Australia, New Zealand, South Africa and the UK) to compare the requirements for revaluation of fixed assets in their standards, and to develop proposals for international convergence.The Group held its second meeting in Auckland in March and the IVSC was represented at the meeting.Although the Group has yet to produce its conclusions, it has apparently unanimously agreed that revaluation should continue to be used in financial reporting, and that entities that choose not to revalue should be required to disclose current value information.The objective of the Group is to ensure that whenever and wherever revaluations are permitted they are measured and reported consistently and in a comparable fashion.The Group is therefore seeking to agree on a consistent measurement objective for a revaluation. For example, even if it is agreed that the objectives of all revaluations should be to measure at "fair value," there may be different views as to what is "fair value."

Revaluation is also a subject being raised by the Financial Accounting Standards Board in the US. In June, the Board tentatively agreed the following fair value measurement hierarchy to determine the fair value of identifiable assets acquired and liabilities assumed in a business combination as of the acquisition date.

1.Fair value should be determined by reference to an observable market transaction (e.g.,an exchange of cash for the same or similar item at or near the transaction date).

2.If an observable market is not available, fair value should be determined using valuation methods or techniques (such as present value, option pricing models, or appraisals) using market-based assumptions consistent with the objective of determining the item's fair value.

3. If neither the first nor second method is available, an entity should determine fair value through valuation methods or techniques (e.g., present value, option pricing models, or appraisals) using assumptions that are not contrary to market assumptions. (In instances in which market-based assumptions are not available, an entity may use its own assumptions.) Assumptions are not contrary to market assumptions (i.e., they are compatible with the fair value measurement objective) as long as there is no contrary information indicating that market participants would use different assumptions. If such contrary information is available, assumptions that incorporate market information should be used.

The FASB staff said that it expects such a hierarchical approach to (1) result in general principles that can be applied to all identifiable assets and liabilities that are required to be measured at fair value at the date of acquisition, (2) clarify when entity-specific considerations are appropriate in determining fair value, and (3) assist in greater comparability and consistency in financial reporting for business combinations.
The staff also noted that it will develop examples of the application of the fair value hierarchy, including examples of valuation techniques for inventory and property, plant, and equipment, for consideration at a future Board meeting.

INTERNATIONAL STANDARDS ON AUDITING (ISAs)

International Standards on Auditing (ISAs) are developed by the International Auditing and Assurance Standards Board of IFAC.The same forces that are leading to the growing acceptance and use of International Accounting Standards are driving the demand for International Standards on Auditing.With the growth of global capital markets, high quality internationally recognised auditing standards are seen to be essential for the effective and efficient functioning of the markets. In Europe, for example, the European Federation of Accountants is urging the European Union to require the use of ISAs by 2005, the same date when use of IAS becomes compulsory. The Federation says that although EU Member States have developed national auditing standards that are substantially in agreement with ISAs, the differences in standards which remain are neither transparent nor clearly identifiable. Users of auditing reports have to invest extra resources to understand the precise nature of the assurance that is being given.

Proposed new ISA – Auditing Fair Value Measurements and Disclosures

A new International Standard on Auditing is being developed to respond to the increasingly prevalence of measurements and disclosures based on fair value in financial reporting frameworks.

One of the key issues addressed in the exposure draft is that "The auditor should obtain sufficient appropriate audit evidence that fair value measurements and disclosures are in accordance with the entity's identified financial reporting framework."

The draft discussed this further in the context of determining the fair value of land and property:

"When planning to use the work of an expert, the auditor considers whether the expert's understanding of the definition of fair value, or the method that the expert may use to determine fair value differs from that of management in reporting under the relevant financial reporting framework. For example, the method for estimating the fair value of real estate by a real estate appraiser may not be consistent with the measurement principles of the financial reporting framework.Accordingly, the auditor considers such matters when deciding to use the work of an expert."

This is a key statement for the IVSC who has long contended that fair value information required under International Accounting Standards should be determined in accordance with International Valuation Standards rather than a national valuation standard. Only then can the auditor be assured that the valuation is consistent with the measurement principles of the IAS.

A new standard – to be designated ISA 545 – is expected to be available shortly.

ISA 620 – Using the Work of an Expert

Another ISA of particular interest to the IVSC is ISA 620 – Using the Work of an Expert.This ISA refers specifically to the need of an auditor to obtain audit evidence in the form of reports, opinions, valuation and statements of an expert. Examples given include:

- Valuations of certain types of assets, for example, land and buildings, plant and machinery, works of art,and precious stones.
- Determination of quantities or physical condition of assets, for example mineral stored in stockpiles, underground mineral and petroleum reserves, and the remaining useful life of plant and machinery.

ISA 620 is currently being reviewed by the International Auditing and Assurance Standards Board.

IFAC PUBLIC SECTOR COMMITTEE (PSC)

The PSC's current activities are focused on the development of International Public Sector Accounting Standards (IPSASs) for financial reporting by governments and other public sector entities. A core set of IPSASs for application in the preparation of accrual based financial reports is being developed.They are based, where appropriate, on International Accounting Standards (IASs). IPSAS 16, Investment Property and IPSAS 17, Property, Plant and Equipment were published earlier in the year.

On May, the Public Sector Committee published a new study to assist public sector entities with the transition from cash basis to accrual basis of accounting – Study 14,Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities.The study identifies the key issues to be addressed in the migration from the cash to the accrual basis of accounting and alternate approaches that can be adopted in implementing the accrual basis in an efficient and effective manner in the public sector.

Chapter 6 of the study deals with 'Assets'.Much of the chapter is devoted to the consideration of property, plant and equipment as most entities have at least some such assets,and they are usually represent a significant proportion of an entity's total assets.The chapter deals with the following valuation issues – valuation policies; instructions for valuers; information required by valuers; selection of valuers; management review of valuations; and examples of approximations.

The following two paragraphs are of particular interest to the IVSC:

"6.100 IPSAS 17 deals with both the initial measurement of property, plant and equipment and measurement subsequent to recognition.Valuations may be required at the time of initial recognition where the item's cost cannot be determined reliably, or is not relevant. IPSAS 17 requires the item to be valued at cost as at the date it is acquired.Where an asset is acquired at no or nominal cost, its cost is its fair value. Fair value is defined as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction" (IPSAS 17,paragraph 12).The relevant method will depend upon the circumstances. For example, different valuation methods are usually applied to items that will continue to be used and items that have been identified as surplus or otherwise intended for disposal. Valuation methods that may be relevant in assessing fair value include open market value, market-based value, and depreciated replacement cost.

6.101 The International Valuation Standards Committee issues internationally accepted valuation standards.These standards seek compatibility with International Financial reporting Standards (IFRS) (formerly International Accounting Standards) (IASs)) and include references to relevant IFRSs."

PSC Study 14 may be downloaded at no charge from the IFAC web site – www.ifac.org

BACK TO BASICS: CRITICAL FINANCIAL SECTOR PROFESSIONS REQUIRED IN THE AFTERMATH OF AN ASSET BUBBLE

A paper by Michael Pomerleano, Lead Financial Specialist,The World Bank, is posted on the IVSC web site – www.ivsc.org. The paper addressed the financial reorganisation and corporate restructuring required in the aftermath of an asset bubble. Mr Pomerleano contends that although much has been written about macroeconomic policies – monetary and fiscal measures – to abate and respond to bubbles, too little attention has been given to the micro-structural impediments that afflict countries in need of restructuring.The limited micro treatment has focused on the prerequisite infrastructure – effective bankruptcy law and a framework to support out-of-court corporate restructuring efforts – and has ignored the fundamental impediments to restructuring – the lack of professional financial services skills and the limited availability of market-based instruments for managing real estate and corporate restructuring.

The paper focuses on the professional skills needed during restructuring and advances the hypothesis that the build-up, duration, and severity of bubbles in equity and real estate markets,as well as the restructuring that occurs in the aftermath of such bubbles,are related to the availability of skills in financial sector services. Countries that have capable professional such as appraisers, analysts, and insolvency experts have recognised and responded more swiftly to asset bubbles than countries with a limited basis of financial sector skills.

In discussing the valuation/appraisal profession,Mr Pomerleano makes the following points:

- Appraisers reduce the risk involved in property transactions by assigning credible values to property bases on a standard method; all participants recognize the methodology, and the valuation is consistent. In many emerging markets, standards of certification are lacking. It is important to establish and promote minimum uniform standards of appraisal and minimum qualifications.
- The standard methodology for appraisals relies on the market, income, and cost approaches. Perhaps the most striking point is that not all countries abide by appraisal based on market value. For instance, in Japan valuations rely on the cost approach. Appraisals of property often are based on the value of land (land price index) and rarely the sales comparison and income approach.The reliance on cost basis is due to the lack of data: market data are scarce due to lack of information disclosure and the failure to collect systematically transaction data. Further, property appraisers tend to be architects and engineers, and their bias is to use cost basis for appraisers.Therefore, the real estate market is not transparent.
- There is no consistent treatment across countries of the appraisal and valuation profession with respect to training and regulation. Similarly in many countries there are no uniform standard of valuation. Clearly, appraisal standards should be correctly applied and regulated.This can be accomplished by establishing professional standards of valuation, educational requirements, methodology, ethics, and oversight in developing real estate markets.
- The Asian financial crisis led to calls for the development of international standards with the intent of strengthening public financial institutions, particularly in areas such as securities and bank regulation.There is an equal need for strengthening the capacity of the private financial sector through international standards, such as the one that IVSC is promoting, as well as nurturing the development of essential professional and improvements in the institutional setting.

The findings,interpretation,and conclusions of Mr Pomerleano's paper are entirely his and do not necessarily represent the views of the World Bank.

FIG GUIDE ON STANDARDISATION

The International Federation of Surveyors (FIG) has published its Guide on Standardisation. Key comments from the Guide:

- A number of other international standardisation bodies exist, the most relevant of which for surveyors,in particular valuers and real estate advisers, is the International Valuation Standards Committee (IVSC).
- In general terms, the globalisation of trade and the world economy is reducing the role of regional bodies.In addition, FIG and its Member Associations will be focusing at international and national level respectively; regional standardisation bodies are therefore not considered in any detail in this Guide.
- The IVS 2000 (the 'white book') at this stage complements the related regional and national standards, although in this field we again see a growing importance of international standards to shape the detailed provisions of national standards, with the future relative importance of regional standards not being clear.
- FIG, through the Commission 9 representative to the Task Force on Standards, has developed a good working relationship with the IVSC Secretariat, with the result that the IVSC is now actively encouraging FIG to become more involved in the process of developing their standards at an international level.

FORTHCOMING MEETINGS AND SEMINARS

17/18 September 2002	IVSC Management Board and Annual General Meeting Brussels, Belgium
23/26 September 2002	20th Congres of the Union of Pan American Valuers, Buenos Aires,Argentina. Details from iat@elsitio.net
14-17 October 2002	21st Pan Pacific Congress of Real Estate Appraisers, Valuers and Counselors, Kuala Lumpur, Malaysia www.ism.org.my

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IVSC

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