

IVSC SRB March Meeting Update 2023

Items shown in bold italics should include links to the relevant documents.

This IVSC Update highlights preliminary decisions of the IVSC Standards Review Board (Board). Projects affected by these decisions can be found on the ***IVSC Publication Schedule***. The Board's final decisions on IVS® Standards and Amendments are formally balloted as set out in the ***IVSC Standards Review Board Due Process and Working Procedures***.

The Board met in person and remotely on 15 – 17 March 2023. The topics in order of Discussion were:

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- *23.03.03. IVSC Publication Schedule*

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- *IVS General Standards Review*
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IVSC Working Groups

- *2023.03.03. IVSC SRB Working Group Update*
- *2023.03.03. IVSC TAB Working Group Update*

The Board were asked if there were any conflicts of interest in relation to the proposed topics and no conflicts were declared.

Work plan overview

IVSC Publication Schedule (23.03.03. IVSC Publication Schedule)

The Board met remotely and in person on 15th March 2023 and discussed the proposed timetables for some of its forthcoming consultation documents.

Further to discussion and in light of the SRB's focus on revising the IVS Exposure Draft prior to going into public consultation on 28th April 2023 the SRB agreed to revise the provisional publication dates for the following perspectives paper as follows:

- *Perspectives Paper on Evaluating Technology – 31st May 2023*
- *Perspectives Paper ESG and Tangible Assets Valuation Part 2 - 30th September 2023*
- *Perspective Paper on Prudential Value - 30th September 2023*

Research and standard setting

IVS General Standards Review (2023.03.19. Draft IVS General Standards Exposure Draft)

- The Board met in person and remotely on 15th March to the 17th March 2023 and discussed revisions to the IVS General Standards Exposure Draft prior to going into a three-month consultation on 28th April 2023.
- The Board reviewed the recommendations made by the SRB working groups: -
 - *ESG Working Group*
 - *Glossary Working Group*
 - *IVS 101 Scope of Work and IVS 106 Documentation & Reporting Working Group*
 - *IVS 102 Bases of Value and IVS 103 Valuation Approaches Working Group*
 - *Valuation Review Working Group*
- The Board reviewed the Appendices and discussed their placement within IVS. Further to discussion, the Board felt that the proposed placement of the relevant Appendices at the end of each chapter was in line with other standard setters and therefore appropriate.
- The Board reviewed the recommendations made by the IVSC Valuation Review working group.

The Board was not asked to make any decisions.

Next step

The Board agreed that the Technical Directors should send the IVS Exposure Draft to the Technical Boards for consideration and review and in order for the Technical Boards to make any consequential amendments within their Asset Standards. Board confirmed that the IVS Exposure Draft would go into a 12-week public consultation on the 28th April 2023. Further to public consultation, the Boards are planning to publish the next edition of IVS Effective 31st July 2024 on the 31st January 2024.

IVS Asset Standards Review

- The Technical Directors advised the SRB that the Technical Boards are in the final stages of reviewing the Asset standards to:
 - 1) *Restructure and align the Asset Standards with the proposed revisions to the IVS General Standards.*
 - 2) *Update any references to the General Standards contained within the Asset Standards*
 - 3) *To include new topics within the Asset Standards, where applicable such as the sections on data and inputs and models.*
- The Technical Directors advised that post the BVB and TAB March meetings in Sydney and the FI conference call the Asset standards would be available for final review to ensure the cohesion between the revised Asset Standards and the revised General Standards.

Next step

The Technical Boards are to distribute the revised Asset Standards to the Board for consideration and review post the BVB, FIB and TAB March meetings.

The Board was not asked to make any decisions.

IVS Exposure Draft Summary and Consultation Questions

- The Technical Director advised that the SRB Bases of Conclusion working group had drafted the IVS Exposure Draft Summary.
- The Technical Director further advised that this was a high-level document which provided the following rationale for changes to IVS;
 1. *Ongoing changes in global markets and global valuation, including the increased use of technology and the abundance of available data sources.*
 2. *Increased use of specialists and service providers by valuers in the performance of valuations.*
 3. *Increased demand by stakeholders, including financial institutions, investors, and regulators, for clarity related to valuation process and the management of valuation risk.*
 4. *Additional demands on valuation professionals to address new types of assets or liabilities and to expand the application of valuations into areas such as environmental, social and governance (ESG).*
 5. *Integration of the proposed new financial instruments content. The Board agreed that the paper would act as a precursor to the introduction of more specific requirements on the management of valuation risk within IVS.*
- The Board discussed and reviewed the document and the draft consultation questions for the IVS General Standards.

Next step

The Technical Director will send the revised Exposure Draft Summary and consultation questions to the SRB for final review post the BVB, FIB and TAB March meetings. The IVS

Exposure Draft Summary and Consultation Questions will be published as a separate document on the 28th April 2023 as part of the three-month public consultation process.

Discussion

IVS Consultation Responses Process

- The Board discussed stakeholder outreach and the process for considering consultation processes.
- The Technical Director advised that the IVSC Communications and External Affairs Director had a stakeholder list of over 1,000 key stakeholders all of whom would receive an email advising them that the IVS Exposure Draft was now in consultation and further advised that the consultation would be announced in both the April IVSC E News and on the website.
- The Technical Director also advised that the IVSC website would contain a consultation page and respondents would have the choice to either respond directly on the website to the questions, attach a document with their responses or respond separately by email.
- The Boards also discussed the consultation review process and agreed that the SRB would set up working groups to consider the consultation responses.

Next step

- The Board are to discuss and agree the number and composition of the IVS Consultation Response working groups during the next SRB call on the 25th April 2023.

Key Topics for 2023 to 2025

- The Technical Director advised that the next IVS Agenda Consultation is due to be issued in Q1 2024.
- The Technical Director further advised that all the topics contained in the previous Agenda Consultation had been considered by the Boards over the past few years through the issue of perspective papers or through amendments contained in the IVS Exposure Draft.
- The Board initially felt that the following key topics should be contained in the next IVS Agenda Consultation;
 - ESG
 - Prudential Value/Long Term Value
 - Valuation Risk Management

Next step

- The Board are to include the Agenda Consultation as an agenda item for next SRB call on the 25th April 2023.

Administration

Integration of New Board Members

- The Boards were advised that the new SRB Board members would be joining the SRB from April 2023;
 - Jose Covas
 - Matt Clarke
 - Sandra Mossios
 - Susann Ihlau
- The Board discussed the best way to integrate the new board members, particularly as they were joining the SRB on the week that the IVS Exposure Draft was to be issued.
- Further to discussion, it was agreed that in advance of the next SRB call the SRB Chair and Technical Director would set up an induction call with the new SRB members.

Next step

- The SRB Chair and Technical Director are to set up an induction call with the new SRB members.

Potential Physical Meetings 2023

- The Board discussed potential dates for the next SRB meeting and agreed that the next meeting of the Board should be to consider the consultation responses.
- The Technical Director advised that the IVS Exposure Draft consultation was closing on the 28th July though from experience, further consultation responses often came one or two weeks post consultation.
- Further to discussion, the SRB agreed that they would meet in London between Tuesday 29th August and Thursday 31st August 2023.

Next step

The Technical Director will work in conjunction with Louise Nicholson to find a suitable location for the meeting and will send out an invite for the August London SRB meeting once the meeting location has been agreed.