

INTERNATIONAL VALUATION STANDARDS COUNCIL

INTERNATIONAL VALUATION STANDARDS (IVS)

AGENDA CONSULTATION

JULY 2024

IVSC

—

Issued by the International Valuation Standards Council (IVSC)
Standards Review Board



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Letter from Susan DuRoss Chair, IVSC Standards Review Board

Dear Stakeholders,

In alignment with our mission to develop, maintain, and promulgate the International Valuation Standards (IVS) as an internationally-agreed framework for the valuation of all assets and liabilities, the IVSC Standards Review Board (SRB), alongside the IVSC Business Valuation Board (BVB), the IVSC Financial Instruments Board (FIB), and the IVSC Tangible Assets Board (TAB) (collectively the IVSC Technical Boards), is pleased to announce the release of the *Agenda Consultation 2024*. This document seeks your input on future topics that are crucial for the development of the IVS.

The IVSC is dedicated to maintaining a tri-annual agenda consultation as part of our open and consultative standard-setting process. This edition outlines potential topics and invites feedback to ensure that our agenda reflects the priorities and needs of our diverse stakeholders.

We highly value your insights and encourage all stakeholders, including practitioners, valuation professional organisations, financial institutions, investors, academics, corporations, and regulators, to participate in this consultation. Your feedback is essential to us, and we are committed to an inclusive and transparent process. All comments will be published on the IVSC website and included in the IVSC Agenda Consultation 2024: Basis for Conclusions.

The consultation period is open for 90 days, concluding on 09 October 2024. We eagerly anticipate your contributions and look forward to considering your views and recommendations.

Thank you for your continued support and engagement.

Sincerely,

Susan DuRoss
Chair, IVSC Standards Review Board



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Introduction

Background to Agenda Consultation

The IVSC issued IVS (effective 31 January 2025), which represented its efforts to address the following:

- Modernising IVS to include key components of the valuation process that continue to be important in determining values (e.g., inputs, data, and models),
- Increasing understandability and relevance of IVS to users and other stakeholders (financial institutions, investors, and regulators),
- Future-proofing IVS for valuation of new and different assets and/or liabilities.

In addition, the Standards Review Board (SRB), Business Valuation Board (BVB), Financial Instruments Board (FIB), and the Tangible Assets Board (TAB) (collectively the IVSC Technical Boards) took the following matters into consideration:

- Addressing changes in global markets and global valuation, including the increased use of technology and the abundance of available data sources,
- Describing roles and responsibilities of specialists and service providers increasingly used by the valuer in the performance of valuations
- Aligning IVS with the valuation processes that the valuer performs to provide clarity, understandability, and relevance to stakeholders, including financial institutions, investors, and regulators,
- Creating IVS which allow for new types of assets and/or liabilities and expanding
- the application of valuations into areas such as environmental, social and governance (ESG) considerations,
- Providing integrated requirements to enhance consistency in valuation across all assets and/or liabilities.

In February 2024, the IVSC published *IVS (effective 31 January 2025): Basis for Conclusions* (reflecting changes introduced to IVS. As such, with the completion of these major projects (see Appendix), the IVSC has begun to consider other major projects and additional targeted improvements to IVS and the broader IVSC agenda.

The IVSC Technical Boards issue four types of documents comprising standards, technical revisions, clarifications and Perspectives Papers.

The two ways IVSC issues standards are as follows:

Standards: IVS is revised triennially, and all proposed revisions are issued through an IVS Exposure Draft which is subject to a 90-day consultation period.

Technical Revisions: proposed revisions to the existing standards to elaborate on certain matters contained within. These do go out to consultation.

In addition, IVSC issues:

Clarification: provide additional clarification to the existing text within IVS. These do not go out to consultation.

Perspectives Papers: issued for market engagement on key issues and in some instances as a precursor for standard setting.

Purpose of the Agenda Consultation

The purpose of this Agenda Consultation is to solicit feedback about:

- The valuation topics that the IVSC's Technical Boards should address as part of its current agenda (key topics and current topics), and
- Additional valuation topics that stakeholders feel should be prioritised or added to the IVSC's Technical Boards' future agenda (future topics).

Stakeholders are invited to comment on all matters in this Agenda Consultation. Questions related to each key topic are included at the end of each chapter. When responding to the questions, IVSC would encourage participants to consider the following:

- Are the valuation topics described in this Agenda Consultation areas for which there could be significant improvement as compared with IVS (effective 31 January 2025).
- What is the priority of addressing each topic?
- What should be the IVSC's next step to address each topic? For example, should the IVSC publish a Perspectives Paper, issue an exposure draft, set up a Working Group, or take some other action.
- Are there other major valuation topics not described in this Agenda Consultation that the IVSC should consider adding to its agenda?



**WE WANT
YOUR
FEEDBACK**

Structure of the IVS Agenda Consultation

Based on comments received from previous IVS consultations and other inputs submitted from stakeholders, the IVSC Technical Boards identified additional valuation topics to meet market needs. There are three key valuation topics included in this Agenda Consultation (shown in chapter order):

1. Environmental, Social and Governance (ESG)
2. Technology in Valuation
3. Valuation Risk

In this Agenda Consultation there is a chapter for each of the three key topics identified by the IVSC Technical Boards, which includes:

- A summary of the valuation topic including context and history, discussion on stakeholder concerns related to the topic, and the IVSC Technical Boards' rationale on why Standards related to the topic may be necessary:
- Specific questions for the respondents to address to aid the IVSC in its next steps related to each topic.

This Agenda Consultation also includes a complete list of Additional Topics with all current and future

topics to be addressed and a summary on each topic including details of the relevant boards.

The IVSC Technical Boards acknowledge that these current and future topics are unlikely to represent an exhaustive list of current and future topics that are relevant to the IVSC's stakeholders. As such, as part of this Agenda Consultation, stakeholders are encouraged to provide feedback on other valuation topics relating to key valuation issues, omitted in this Agenda Consultation, that the IVSC should consider adding to its agenda (see Additional Topics).

Sharing your feedback to the consultation

The IVSC would value your feedback on the contents of this Agenda Consultation, which you can submit by scanning or clicking on the QR code at the end of this consultation document. All feedback will be considered by the Technical Boards as they deliberate on, and agree, future work programmes. The IVSC will issue a summary of the consultation responses upon conclusion of the consultation.



This consultation outlines potential topics and invites feedback to ensure that our agenda reflects the priorities and needs of our diverse stakeholders.



TOPIC #1

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Background

Since the publication of IVS (effective 31 January 2022) the inclusion of Environmental, Social and Governance (ESG) considerations has been of increasing interest to valuation professionals globally as governments, asset owners, and investors consider the impact of ESG factors on their investments and local markets.

In addition, there has been an increasing need to consider ESG within the valuation process emanating from requirements issued by various organisations such as the International Sustainability Standards Board (ISSB), the EU taxonomy and other guidance and requirements issued by Valuation Professional Organisations.

The IVSC Technical Boards recognise that ESG continues to be of increasing importance across all markets. Although there is a significant amount of robust ESG qualitative information available, quantitative information is generally less suitable for the valuation process.

Starting in 2021, the IVSC's Standards Review Board and ESG Working Group published a survey of investors, businesses, and valuers to gain an understanding of their consideration of ESG components within valuations. The results of this survey were published in 2022. This was followed by a survey issued in March 2024, the results of which will be published later this year.

Over the past few years, the IVSC Technical Boards have continued to explore the quantification of ESG within the valuation process. As part of this process, the IVSC Business Valuation Board (BVB) has published the following Perspectives Papers:

- *ESG and Business Valuation (March 2021)*
- *A Framework to Assess ESG Valuation creation (May 2021)*

The IVSC TAB has also published the

following perspective paper:

- *ESG and Real Estate Valuation (October 2021)*

The IVSC TAB are continuing to explore ESG and standard setting needs and later this year will be publishing a perspective paper on ESG and Plant, Equipment & Infrastructure valuation.

The IVSC Technical Boards reviewed and analysed comments from stakeholders received during the Agenda Consultation, from the ESG survey, from Perspectives Papers, and continuous engagement during the IVS Exposure Draft consultation process. In consequence, the IVS (effective 31 January 2025) now includes the following definition for ESG within the IVS Glossary:

Environmental, Social and Governance (ESG): The criteria that together establish the framework for assessing the impact of the sustainability and ethical practices, financial performance or operations of a company, asset, or liability. ESG comprises three pillars: Environmental, Social and Governance, all of which may collectively impact performance, the wider markets and society.

Furthermore, IVS (effective 31 January 2025) 104 *Data and Inputs*, which deals with the selection and use of data to be used as inputs in the valuation, also includes an appendix on ESG factors impacting a valuation.

The appendix notes that the consideration of ESG within some valuation specialisms may still be in developmental stage and states that *“the valuer should be aware of relevant legislation and frameworks in relation to the environmental, social and governance factors impacting a valuation.”*

In addition, the appendix requires that *“the impact of significant ESG factors should be considered in determining the value of a company, asset or liability”* and notes that *“ESG factors may impact valuations both*

from a qualitative and quantitative perspective and may pose risks or opportunities that should be considered.”

Moreover, in addition to providing examples of ESG the appendix also states that *“ESG factors and the ESG regulatory environment should be considered in valuations to the extent that they are measurable and would be considered reasonable by the valuer applying professional judgement.”*

Further revisions were also made to the IVS General Standards to include specific ESG requirements within IVS 101 *Scope of Work*, IVS 103 *Valuation Approaches* and IVS 106 *Documentation and Reporting*. The IVSC Technical Boards also made consequential amendments to the Asset Standards to include more specific requirements within IVS (effective 31 January 2025).

While the IVSC has been working to address ESG, the IVSC Technical Boards have agreed that ESG needs continued focus due to the increasing importance across all markets. As such, the IVSC Standards Review Board established and an ESG Working Group to explore the inclusion of more explicit standards in relation to ESG within IVS.

Scope

The scope of ESG applies to all IVS specialisms (business and intangible assets valuation, financial instruments valuation and tangible assets valuation).

Questions for Respondents

Question 1.1: Do you agree that the consideration of ESG in valuation should be a key topic for the IVSC's boards? If not, why?

Question 1.2: Should IVS include additional requirements in relation to the consideration of ESG within valuations? If so, please provide further details and your reasoning.



TOPIC #2

TECHNOLOGY IN VALUATION

Background

In the area of valuation, there have been significant technological advances. Such advances include but are not limited to machine learning, deep learning, data sourcing and data processing many of which have begun to be incorporated to some extent within valuations across all asset classes through the increasing use, in some instances, of automated valuation models and automated valuation reporting.

In recognition of these advances the recently published IVS (effective 31 January 2025) includes requirements on governance, data and inputs, valuation models and quality controls. IVS 100 Valuation Framework now includes a section on the use of specialist or service organisations. This section acknowledges that where a valuer does not possess the necessary technical skills, experience, data, or knowledge to perform all aspects of a valuation, they may seek assistance from these parties, provided this is agreed to and disclosed in the scope of work. This is particularly relevant for data sourcing and processing and for the provision of valuation models.

Moreover IVS (effective 31 January 2025) also includes the following new standards covering data and inputs as well as valuation models:

- *IVS 104 Data and Inputs*
- *IVS 105 Valuation Models*

IVS 104 Data and Inputs provides requirements over data to be used and inputs in the valuation. The aim of the valuation is to maximise the use of relevant and observable data. IVS 104 provides further standards on the use of a specialist or service organisation, characteristics of relevant data, input selection and data and input documentation. It should be noted that this chapter further states that “*the valuer is*

responsible for assessing and selecting the data, assumptions and adjustments to be used as inputs in the valuation based upon professional judgement and professional scepticism.”

IVS 105 Valuation Models addresses the selection and use of valuation models to be used in the valuation process. IVS 105 provides further standards on the use of a specialist or service organisation, characteristics of appropriate valuation models and valuation model selection and use.

IVS 105 further states that “*valuation models can be developed internally or sourced externally from a specialist or service organisation*” but “*in all cases the valuer must apply professional judgement and professional scepticism in the selection and use of valuation models and the application of inputs used in the valuation model.*”

While the IVSC has been working to address technology in valuation, the IVSC Technical Boards have agreed that this topic needs additional focus due to the increasing importance across all markets.

Scope

The scope of Technology in Valuation applies to all valuations.

Questions for Respondents

Question 2.1: Do you agree that the use of technology in valuation should be a key topic for the IVSC's boards? If not, why?

Question 2.2: Should IVS include additional requirements in relation to the use of technology within valuations? If so, please provide further details and your reasoning.



TOPIC #3

VALUATION RISK

Background

The management of valuation risk is a key part of any valuation. It is particularly important to valuers in determining the amount and type of procedures to perform an IVS-compliant valuation. In addition, other stakeholders such as regulators may consider valuation risk key to an effectively operating financial system.

Valuations are used in many contexts throughout the financial system, for example:

- Property valuations underpin decisions about loan to value ratios and collateral assessment for financing purposes.
- Business and tangible asset valuations are incorporated into financial statements and tax records of many organisations, the reliability of which is critical for decision makers including investors and transaction counterparts in a variety of contexts.
- Financial instruments form much of the balance sheets of large financial institutions and as a result are critical to regulator and market decisions regarding financial risk within and across institutions.

IVS (effective 31 January 2025) includes the following definition of valuation risk within the IVS Glossary:

- **Valuation Risk:** The possibility that the value is not appropriate for its intended use.

In addition to this definition the IVS Glossary includes the following definitions of professional judgement and professional scepticism:

- **Professional Judgement:** The use of accumulated knowledge and experience, as well as critical reasoning, to make an informed decision.
- **Professional Scepticism:** Professional scepticism is an attitude that includes a questioning mind and critical assessment of valuation evidence.

When reviewing valuation risk to ensure that the value is appropriate for its intended use, the valuer must use both their professional judgement and professional scepticism to ensure an IVS-compliant valuation.

The importance of assessing and managing valuation risks within the valuation processes is further highlighted within the IVS 100 Framework section on valuation process quality control, which includes the following requirements:

20.07 If the valuer is able to address valuation risk, they may then perform monitoring procedures with respect to their own compliance and control policies and procedures.

20.08 The valuer should conclude that the level of valuation risk, subject to controls in place, is appropriate given the intended use, intended user, the characteristics of the asset or liability being valued and the complexity of the valuation.

In addition, IVS 106 Documentation and Reporting contains the following documentation requirement in relation to valuation risk:

20.04 In all cases, documentation should describe the valuation or valuation review and how the valuer managed valuation risk. The valuer must keep a copy of any report issued on the value and a record of the valuation work performed for a period in accordance with legal, regulatory, authoritative, or contractual requirements relative to the intended use.

Moreover IVS 500 Financial Instruments includes the following requirement in relation to the valuation of Financial Instruments:

30.03 Valuation risk exists in the valuation of financial instruments. As such, throughout the valuation, procedures and controls must be put in place that enable valuation risk to be assessed and managed to help ensure that the value is appropriate for its intended use. Any significant valuation risk identified during the design, implementation, or execution of the valuation must have quality controls to address that risk and should have an appropriate level of review and challenge.

When developing IVS (effective 31 January 2025), the IVSC Technical Boards have agreed that additional focus was needed on refining the definition of valuation risk and assessing the need for further requirements related to the management of this risk. As such, the IVSC SRB has established a Working Group to consider the different types of valuation risk and to understand future standard setting needs.

Scope

The scope of Valuation Risk applies to all IVS specialisms (business valuation, financial instruments valuation and tangible assets valuation).

Questions for Respondents

Question 3.1: Do you agree that the valuation risk should be a key topic for the IVSC's boards? If not, why?

Question 3.2: Should IVS include additional requirements in relation to the consideration of valuation risk within valuations? If so, please provide further details and your reasoning.



ADDITIONAL TOPICS

Background

As part of the process for preparing this Agenda Consultation the IVSC Technical Boards also discussed market needs with other stakeholders to gain further understanding on areas where there is inconsistent valuation practice, and a potential need for additional information through the publication of Perspectives Papers or additional valuation standards.

The IVSC Technical Boards have agreed the following prioritisations in relation to the proposed topics shown below:

- **Current Topics** - For consideration by IVSC within the next 2 years
- **Future Topics** - For consideration by IVSC beyond the next 2 years

Agenda Consultation: Current Topics (0 to 2 years)

(Perspectives Papers due to be published in the next two years or potential topics to be incorporated in the next edition of IVS)

- Capital Structure Considerations
- Digital Assets
- Discounts and Premia
- Investigations and Evidence
- Internally Generated Intangible Assets
- Model Calibration
- Private vs Public Markets
- Prudential Value for Immovable Assets
- Trophy Assets
- Valuation Adjustments for Financial Instruments
- Weighting of Inputs and Outputs

Agenda Consultation: Future Topics (beyond 2 years)

(Perspectives Papers due to be published beyond the next two years or potential topics to be incorporated in IVS)

- Agricultural and Plantation Land /Biological Assets
- Bases of Value
- Compulsory Purchase
- Early-Stage Businesses
- Insurance Valuations
- Quality Control and Individual Valuer
- Transfer Pricing
- Valuation Reviews

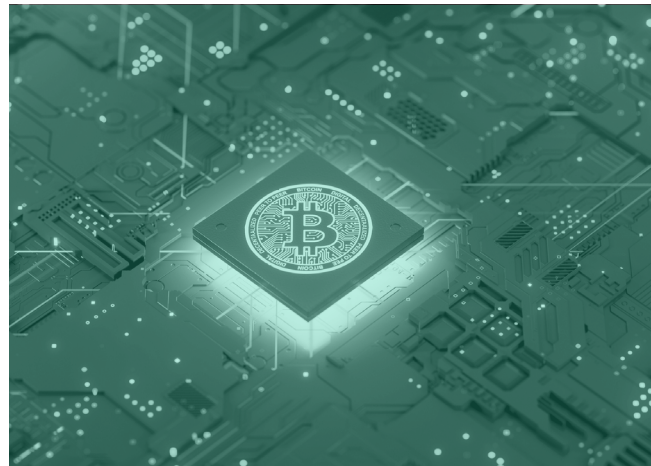
Further details on the gap analysis topics are set out in the following pages.

IVS Future Topic Details – Current Topics (0–2 years)

Questions for Respondents/Consultation Questions

Question 4.1: Do you agree with the scope of the project as described below and the prioritisation contained in the IVS additional topics? If not, why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).



CAPITAL STRUCTURE CONSIDERATIONS

Complex capital structures are increasingly prevalent in the private sector, particularly in private equity and venture capital investments. For example, portfolio companies issue preferred and common shares, and options or warrants, often from successive rounds of financing, each of which has rights that likely differ from those of other series, resulting in complex capital structures and careful valuation consideration. The topic of Capital Structures has featured in discussions of the BVB and in several recommendations formulated by stakeholders during the Exposure Draft consultation. Certain stakeholders advocate the inclusion of more details in the existing standards. Possible additional details could include simple vs complex structures, selecting a valuation method, preferred share and debt considerations, methods of allocation (such as option pricing models). This topic is related to the topic of Model Calibration.

BUSINESS VALUATION BOARD

DIGITAL ASSETS

On the 17th of April 2024 the global cryptocurrency market capitalisation stood at approximately \$2.4 Trillion (US dollars). This represents an 83 % uplift from the previous year. Volatility in the quoted price of cryptocurrencies can be notoriously high. Digital assets are also emerging as a persistent feature of business life. The work will seek to understand whether IVS (effective 31 January 2025) adequately address the challenges posed by valuation of Digital Assets or whether future revisions to IVS are required.

**BUSINESS VALUATION BOARD
FINANCIAL INSTRUMENTS BOARD**



DISCOUNTS AND PREMIA

The BVB have noted that the application of discounts and premia is a significant issue, particularly in the context of disputes. The BVB have further noted that there is wide degree of variance in relation to the valuation practice for discounts and premia both across jurisdictions and across different types of valuation assignments. There is a prima facie case to be made that this dispersion in practice and in outcomes might be creating a gap and confusing practitioners. Such a gap might be hampering adoption and implementation of IVS. The purpose of the work will entail determining whether the IVS should change its treatment of valuation premia and discounts and if so, examine how it should do so.

BUSINESS VALUATION BOARD



INVESTIGATIONS AND EVIDENCE (INSPECTIONS)

Further to market feedback and the current inconsistency in market practices across all regions, the IVSC are currently reviewing the requirements on investigation and evidence contained within the scope of work sections of the IVS Tangible Asset Standards (IVS 300, IVS 400, and IVS 410). The TAB also published the first of a series of Perspectives Papers on Inspection in June 2024.

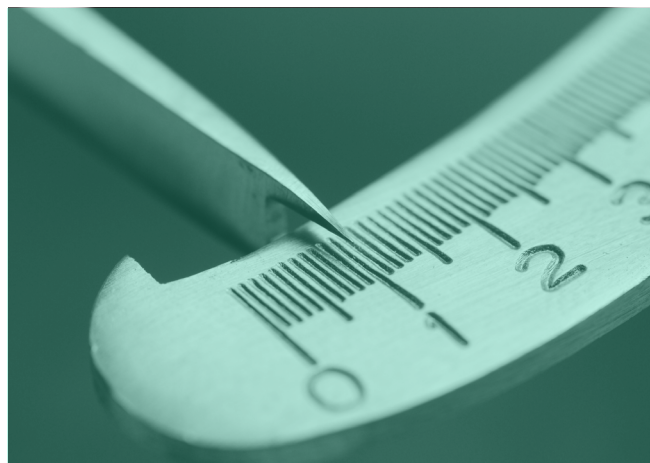
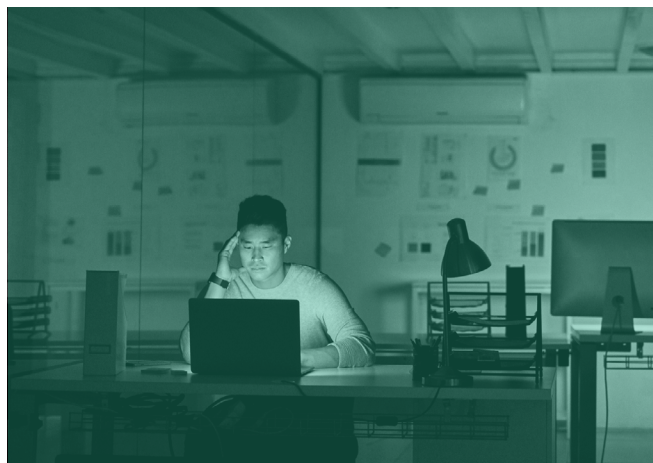
TANGIBLE ASSETS BOARD

IVS Future Topic Details – Current Topics (0–2 years)

Questions for Respondents/Consultation Questions

Question 4.1: Do you agree with the scope of the project as described below and the prioritisation contained in the IVS additional topics? If not, why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).



INTERNALLY GENERATED INTANGIBLE

The IVSC have published a series of Perspectives Papers on internally generated intangibles including Perspectives Papers on human capital, brand, technology, and data. We will be continuing to consider internally generated intangible assets over the next few years with a view to publishing further Perspectives Papers on the topics prior to potential incorporation of additional requirements within the IVS.

BUSINESS VALUATION BOARD

MODEL CALIBRATION

Calibration is currently included in IVS 500.190. This Agenda Consultation question deliberately uses the word “Calibration” in a separate way. Model calibration (as understood in this question) is primarily used in portfolio investments for Private Equity and Venture Capital (PE/VC) for Financial Reporting purposes. It is recognised by standard setters and regulators because it relies on, and anchors to, observable transactions and inputs. Calibration assumes that an initial transaction is executed at arm’s length. Is therefore recognised as having occurred at Fair Value. For subsequent valuation events, asset-specific input assumptions are updated to reflect changes endogenous to the asset (for example, operating performance) and evolutions in market conditions (e.g. interest rates) for the appropriate array of comparable assets. Model Calibration techniques often involve the

BUSINESS VALUATION BOARD



PRIVATE VS PUBLIC MARKETS

The IVSC have set up a Working Group to explore the divergence in value between listed and unlisted markets for similar and sometimes identical assets, particularly during periods of market volatility such as the recent COVID -19 pandemic.

STANDARDS REVIEW BOARD

...MODEL CALIBRATION CONTINUED

use of unobservable inputs. Certain observers have noted that some certain uplifts in values may be the result of questionable practice. Further challenges emanate from the asynchrony of valuation (measurement) date and transaction(s) date(s). Since model calibration is recognised by other standard setters and regulators but is not mentioned in IVS, there is a prima facie case to be made that this lack of recognition might be creating a gap and confusion among PE valuation practitioners. It might be hampering adoption and implementation of IVS. The purpose of the work will entail determining whether the IVS should recognise and/ or define model calibration as a valuation technique (distinct from a method), and if so, examine how it should do so. This topic is related to the topic of Capital Structure Considerations.

BUSINESS VALUATION BOARD

IVS Future Topic Details – Current Topics (0–2 years)

Questions for Respondents/Consultation Questions

Question 4.1: Do you agree with the scope of the project as described below and the prioritisation contained in the IVS additional topics? If not, why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).



PRUDENTIAL VALUE FOR IMMOVABLE ASSETS

The IVSC have set up a Prudential Value Working Group to explore the implementation of Prudential Value requirements emanating from Basel III. From a tangible assets perspective, it has been noted that there is currently no agreed interpretation of the definition of Prudential Value or agreed valuation methodology.

TANGIBLE ASSETS BOARD

TROPHY ASSETS

Further to a previous review of the valuation of Trophy Assets such as sports stadiums/arenas and teams, artwork, NFTs and other high demand or scarce assets, the IVSC has since received expressions of interest and queries about this topic. In part, these stem from a shift in the understanding of “Trophy Assets” as going beyond Real Estate and encompassing movable assets (collectibles), Businesses and/or Intangible Assets such as sports franchises. The work will seek to understand whether the IVS (effective 31 January 2025) adequately address the challenges posed by valuation of Trophy Assets or whether revisions to IVS (effective January 2025) are required.

BUSINESS VALUATION BOARD TANGIBLE ASSETS BOARD



VALUATION ADJUSTMENTS FOR FINANCIAL INSTRUMENTS

The topic of Valuation Adjustments for Financial Instruments and banks making specific adjustment to reflect the cost of funding their positions when valuing uncollateralised derivatives has featured in several discussions of the Financial Instruments Board (FIB) and in several recommendations formulated during the Exposure Draft consultation. The topic of Financial Valuation Adjustments (FVA) has also been discussed in several interactions between FIB Board members and other stakeholders such as banks and regulators with some stakeholders advocating that there should be additional standards on this topic within IVS 500 Financial Instruments.

FINANCIAL INSTRUMENTS BOARD

WEIGHTING OF INPUTS OR OUTPUTS

IVS (effective 31 January 2025) removed the definition of weighting . Certain stakeholders have stated that this might create ambiguity for practitioners, especially in Business Valuation. The work will seek to understand whether the IVS (effective 31 January 2025) adequately address the issue of weighting of outcomes from different valuation methods or whether revisions to IVS are required.

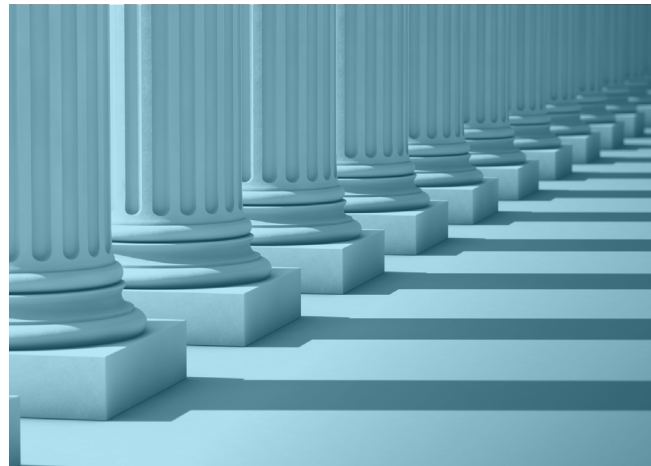
STANDARDS REVIEW BOARD

Future Topics (beyond 2 years)

Questions for Respondents/Consultation Questions

Question 4.1: Do you agree with the scope of the project as described below and the prioritisation contained in the IVS additional topics? If not, why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).



AGRICULTURAL AND PLANTATION LAND / BIOLOGICAL ASSETS

In June 20219 the IVSC Tangible Assets Board (TAB) published a perspectives paper on “A roadmap to valuing agricultural property (including biological assets). Since then the IVSC have updated IVS 400 Real Property Interests to include unregistered land and in addition to other amendments within the IVS (effective 31 January 2025) have reviewed the examples within the scope of work to include references to Agricultural and Plantation Land and Biological Assets. Further to these revisions the IVSC Technical Boards will be reviewing the *IVS 400 Real Property Interests* and *IVS 410 Development Property* to see if additional standards are required in relation to the valuation of Agricultural and Plantation Land and Biological Assets.

TANGIBLE ASSETS BOARD

BASES OF VALUE

The IVSC Business Valuation Board are looking to review *IVS 102 Bases of Value* to see if other more specific Business Valuation bases of value should be included in this chapter as the basis of value used can often be disputed in Business Valuation.

BUSINESS VALUATION BOARD



COMPULSORY PURCHASE

The topic of compulsory purchase/expropriation has featured in several discussions of the TAB and in several recommendations formulated during the Exposure Draft consultation. The TAB have also been in discussion with other stakeholders with some stakeholders advocating that there should be additional standards on this topic to provide additional valuation standards on the global requirements in relation to compulsory purchase/expropriation across all markets.

TANGIBLE ASSETS BOARD



EARLY-STAGE BUSINESS VALUATION

The topic of valuation of start-ups/early-stage business valuation has featured in several discussions of the BVB and in several recommendations formulated during the Exposure Draft consultation. The topic of start-ups/early-stage business valuation has also been discussed in several interactions between BVB Board members and other stakeholders with some stakeholders advocating a more comprehensive approach to the valuation of young, start-up or loss-making companies. The BVB have further noted that this topic is partly related to the valuation of intangible assets.

BUSINESS VALUATION BOARD

Future Topics (beyond 2 years)

Questions for Respondents/Consultation Questions

Question 4.1: Do you agree with the scope of the project as described below and the prioritisation contained in the IVS additional topics? If not, why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).



INSURANCE VALUATIONS

The topic of Insurance Valuations/Estimated Reinstatement Cost Valuations has featured in several discussions of the TAB and in several recommendations formulated during the Exposure Draft consultation. The TAB has also been in discussion with other stakeholders with some stakeholders advocating that there should be consistent standards for Insurance Valuations across all markets given the global significance.

TANGIBLE ASSETS BOARD

QUALITY CONTROL AND INDIVIDUAL VALUER

The topic of valuation quality control and the individual valuer has featured in several discussions of the TAB and in several recommendations formulated during the Exposure Draft consultation. The topic of quality control and the individual valuer has also been discussed in several interactions between the IVSC Technical Boards, particularly when drafting the section on Valuation Process Quality Control within IVS 100 Framework. The TAB has also been in discussion with other stakeholders with some stakeholders advocating that there should be additional standards on this topic to provide guidance on how an individual valuer can quality control their own work and manage valuation risk.

TANGIBLE ASSETS BOARD



TRANSFER PRICING

The topic of valuation of transfer pricing and the introduction of global tax rules (e.g. pillar 2) has featured in several discussions of the BVB and in several recommendations formulated during the Exposure Draft consultation. The topic of transfer pricing has also been discussed in several interactions between BVB members and other stakeholders. The BVB have further noted that this topic is partly related to the Bases of Value.

BUSINESS VALUATION BOARD



VALUATION REVIEWS

The topic of valuation reviews has featured in several discussions of the TAB and in several recommendations formulated during the Exposure Draft consultation. The topic of valuation reviews has also been discussed in several interactions between the IVSC Technical Boards, particularly when drafting the glossary definitions for “valuation review”, “valuation process review” and “value review” and the inclusions of valuation review requirements within *IVS 101 Scope of Work* and *IVS 106 Documentation and Reporting*. The TAB has also been in discussion with other stakeholders with some stakeholders advocating that there should be additional standards on this topic to provide additional guidance on the difference between a valuation, valuation review and audit.

TANGIBLE ASSETS BOARD

AGENDA CONSULTATION QUESTIONS

Agenda Consultation General Questions

1. Are the valuation topics described in this Agenda Consultation areas for which there could be significant improvement as compared with IVS effective 31 January 2025.
2. What is the priority of addressing each topic, from a timing point of view - within, or after two years?
3. What should be the IVSC 's next step to address each topic? For example, should the IVSC publish a Perspectives Paper, issue an exposure draft, set up a Working Group, or take some other action?
4. Are there other major valuation topics not described in this Agenda Consultation that the IVSC should consider adding to its agenda?

1: Environmental, Social and Governance (ESG) Questions

Question 1.1: Do you agree that the consideration of ESG in valuation should be a key topic for the IVSC's Technical Boards? If not, why?

Question 1.2: Should IVS include additional requirements in relation to the consideration of ESG within valuations? If so please provide further details and your reasoning.

2: Technology in Valuation Questions

Question 2.1: Do you agree that the use of technology in valuation should be a key topic for the IVSC's Technical Boards? If not, why?

Question 2.2: Should IVS include additional requirements in relation to the use of technology within valuations? If so please provide further details and your reasoning.

3. Valuation Risk Questions

Question 3.1: Do you agree that the valuation risk should be a key topic for the IVSC's Technical Boards? If not, why?

Question 3.2: Should IVS include additional requirements in relation to the consideration of valuation risk within valuations? If so please provide further details and your reasoning.

4. IVS Additional Topics Questions

Question 4.1: Do you agree with the scope of the project as described above and the prioritisation contained in the IVS additional topics and if not why?

Question 4.2: Do you believe that there any other topics that should be included and if so, why? (Please state your suggested scope and prioritisation for this topic).

Share your feedback by scanning, or clicking on the QR code:



Members of the IVSC's Technical Boards during meetings
with IASB representatives in London, May 2024

*The IVSC is
committed to
publishing
an Agenda
Consultation
on a triennial
basis as part
of an open
consultative
standard
setting process.*



IVSC

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