



# Primer on the International Valuation Standards & their relevance to M&A

*Building trust in valuation*

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# Our Mission

Working with other standard setters, regulators, Valuation Professional Organisations, valuation service providers, asset managers, investment banks and other end-users of valuation information.

The IVSC's mission is to build trust in valuation by:

- Creating robust **International Valuation Standards (IVS)** that ensure consistency, transparency, and comparability in valuations.
- Promoting the adoption of **IVS** and fostering valuation professionalism worldwide.

The IVSC works for the public good.

# Singapore-Based Members and Sponsors

## **Valuation Professional Organisations:**

- Institute of Valuers & Appraisers Singapore (ACRA-IVAS)
- Singapore Institute of Surveyors and Valuers (SISV)
- Royal Institution of Chartered Surveyors (RICS)

## **Sponsors:**

- DBS
- OCBC
- UOB
- “Big 4”; Kroll; JS Held; FTI;
- Intellectual Property Office of Singapore (IPOS)

## **Academic Members:**

- NUS
- NTU
- SUSS

## **Members of Investor Forum:**

- GIC
- Temasek

## **RE Professional Services Firms:**

- Savills
- JLL

## **Professional Services Firms:**

- Navi

# Securities Regulators are Attentive

## Relationship between IOSCO & IVSC

- The International Organization of Securities Commissions (“IOSCO”) is an international body of the world's securities regulators.
- IOSCO develops, implements and promotes adherence to internationally recognized standards for securities regulation.
- IOSCO and the IVSC, executed a Statement of Cooperation whereby both organizations endeavor to enhance their collaboration to promote high quality valuation practices.
- Latest Plenary meeting: November 2024



### **IOSCO's role:**

- Gain an understanding of the IVS, with the aim of assessing whether they address valuation risk areas as identified by securities regulators.
- Provide input to the IVSC on proposed amendments to IVSs and developments that are relevant to valuations used for financial reporting and assist in identifying emerging issues concerning valuations.

# What is a Valuation?

## Two Types of Valuations

Investor	"Institutional" Valuations
<ul style="list-style-type: none"><li>• Private, unconstrained analysis.</li><li>• Implies an investment decision (positive or negative)</li><li>• Seeking a "variant perception"</li><li>• Examples: Fund Managers, Prof. Damodaran, Warren Buffett etc...</li><li>• No "third party" accountability.</li></ul>	<ul style="list-style-type: none"><li>• Represented to a third party.</li><li>• Rely on professional judgement, reputation, and/or formal status ("licensed")</li><li>• Valuation mimics / captures a hypothetical transaction ("basis of value")</li><li>• Importance of credibility, consensus, legitimacy, procedural jurisprudence, etc.</li></ul>

**Standards Apply:** IVS, IFRS, case law etc.

**Valuation:** "The act or process of forming a conclusion on a value [of an asset or liability] at a valuation date [that is prepared in compliance with IVS]."

# Application of IVS in M&A

*"Principles Based"*

**IVS**

*"Intended use"*

## Financial Reporting

- Best practices in the application of IFRS.
- IVS are not a replacement of IFRS.

## M&A Advisory

- Best practices by advisers:
- Internal training manuals and/or compliance with local VPO: IVAS, SISV.

## Tax

- Australia: "Market Value" as appropriate basis.
- Valuations by one of 3 IVSC
- IRS Circular 230 (TBC)

## Fairness Opinions

- No explicit reference to IVSC in SGX Regco Reg Column.
- Referenced in IVAS Practice Note.

## Other transactions

- IP transfer, licensing etc...

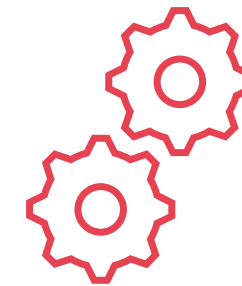
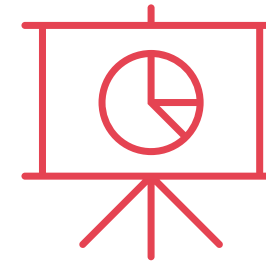
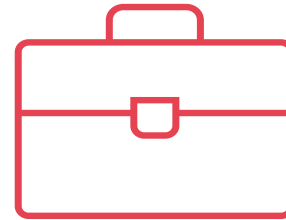
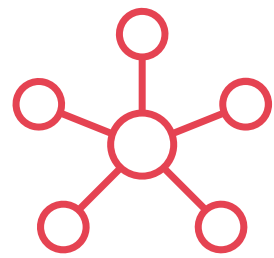
## Disputes

- Used by Expert Witnesses (though not compliant)
- IVS referenced by Singapore Courts in disputes. ("Market Value")
- Valuation of PE and other funds.

## Financial Reporting

# Overview of General Standards

## IVS General Standards



IVS 100

IVS 101

IVS 102

IVS 103

IVS 104

IVS 105

IVS 106

Valuation  
Framework

Scope of  
Work

Bases of  
Value

Valuation  
Approaches

Data &  
Inputs




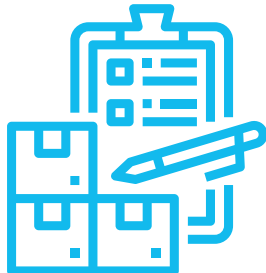




Valuation  
Models

Documentation  
& Reporting

- The General Standards are aligned with best practices workflow in *Valuation*.
- IVS aim to make valuations accurate, complete, timely, and transparent.
- Compliance with the Standards minimises the risk of errors and misunderstandings.
- The Standards protect the valuer, its clients and the intended users of the *valuation* report.
- Valuations are not a checklist. They revolve around professional judgement.

# Relationship of IVS General and Asset Standards

## IVS Asset Standards

							
IVS 200	IVS 210	IVS 220	IVS 230	IVS 300	IVS 400	IVS 410	IVS 500
Businesses & Business Interests	Intangible Assets	Non-Financial Liabilities	Inventory	Plant , Equipment & Infrastructure	Real Property Interests	Development Property	Financial Instruments

The General Standards apply to all Asset Standards



# IVS Compliance is subordinate to other regulations

IVS 100.40 Compliance hierarchy – Compliance is a function of:

**IVS General Standards**



**IVS Asset Standards**



Legal, statutory, and regulatory or other authoritative requirements appropriate to the purpose and jurisdiction of the valuation. If in conflict with IVS the requirements should be prioritized, explained, documented and reported.

Any other deviations would render the valuation not compliant with IVS

IVS are complementary, not a substitute for other standards: IFRS, Rules of the Court



# Documentation



## IVS 106 Documentation and Reporting

30.6. Valuation reports *must* convey the following, at a minimum:

- (a) agreed scope of the work,
- (b) assets and/or liabilities being valued,
- (c) the identity of the valuer,
- (d) client,
- (e) intended use,
- (f) intended users,
- (g) valuation currency(ies) used
- (h) valuation date(s),
- (i) basis (bases) of value adopted,
- (j) approach or approaches adopted,
- (k) method or valuation models applied,
- (l) significant data and inputs used,
- (m) environmental, social and governance inputs used and considered,
- (n) significant or special assumptions and/or limiting conditions,
- (o) findings of a specialist or service organisation,
- (p) value and rationale for valuation,
- (q) IVS compliance statement,
- (r) date of the report

**The IVS are not a checklist; they are a framework for the valuer to express his/her professional judgement.**

# IVS in Judicial Proceedings

## Singapore Courts

- International Valuation Standards are routinely referenced by judges and are increasingly recognized as "best practice" by expert witnesses.
- At least 15 judgments by the Supreme Court of Singapore since 2002 include a mention of the International Valuation Standards.
  - Example: WQP v WQQ [2023]
- This list does not include arbitration, where decisions are not publicised.

Note: In Singapore, the Supreme Court hears civil and criminal cases. It consists of the Court of Appeal and the High Court (General Division, Appellate division and the Singapore International Commercial Court).





# IVS are Always a Work in Progress

## Agenda Consultation: Shaping the future of the International Valuation Standards

### *Major Topics:*

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

### *Selected Additional Topics:*

- Early-Stage Businesses
- Capital Structure Considerations
- Digital Assets
- Discounts and Premia
- Internally Generated Intangible Asset
- Trophy Assets
- Agricultural, Plantation Land, Biological Assets
- Bases of Value
- Compulsory Purchase
- Early-Stage Businesses
- Insurance Valuations
- Quality Control and Individual Valuer
- Transfer Pricing
- Valuation Reviews



**Next Update: IVS Effective 31 January 2028 – Exposure draft early 2026.**





# IVSC

[WWW.IVSC.ORG](http://WWW.IVSC.ORG)