

INTERNATIONAL VALUATION STANDARDS COUNCIL

IVS AGENDA CONSULTATION 2025–2028

PROPOSED AGENDA & SUMMARY OF RESPONSES

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General overview

The IVSC published the IVS Agenda Consultation 2024 Invitation to Comment as part of its open consultative standard setting process. This document summarises the responses by stakeholders to the agenda consultation. It outlines the IVSC Standards Review Board, the Business Valuation Board, Financial Instruments Board and Tangible Assets Board (‘The IVSC Technical Boards’) subsequently revised agenda. The IVSC considers this process to be a critical part of a transparent standard-setting process, consistent with the best practices of other standard-setters around the world. The IVSC plans to continue to publish an agenda consultation every three years.

The purpose of the IVS Agenda Consultation was to solicit feedback about:

1. The valuation topics that the IVSC’s Technical Boards should address as part of their current agenda. These are broken down into key topics and current topics, and
2. Additional future topics.

Stakeholders were also invited to comment on each of the following valuation key topics:

- Environmental, Social and Governance (ESG)
- Technology in Valuation
- Valuation Risk

The chapter for each valuation key topic in the Agenda Consultation included:

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

The Agenda Consultation also included a complete list of Additional Topics with all current (0-2 years) and future topics (beyond 2 years) to be addressed and a summary on each topic including details of the relevant Technical Boards.

The IVSC Technical Boards acknowledge that the current and future topics are unlikely to represent an exhaustive list of topics relevant to the IVSC’s stakeholders. As part of this Agenda Consultation, stakeholders were encouraged to provide feedback on other valuation topics relating to valuation issues of concern that might have been omitted in this Agenda Consultation.

The Agenda Consultation included general questions, questions on each valuation key topic and questions on the additional topics (current and future topics). The structure of the Agenda Consultation was as follows:

- i. Introduction
- ii. Key Topic 1: Environmental, Social and Governance (ESG)
- iii. Key Topic 2: Technology in Valuation
- iv. Key Topic 3: Valuation Risk
- v. Additional Topics
- vi. Agenda Consultation Questions

The Agenda Consultation was opened on 11 July 2024 and subject to a 90-day consultation period which closed on 9 October 2024. Awareness of the Agenda Consultation was raised through a broad range of communications channels including IVSC Enews, website, email, webinars, and social media. Two Agenda Consultation round table interactive presentations were delivered on the 17th and 18th September 2024. Further Agenda Consultation presentations were provided on request.

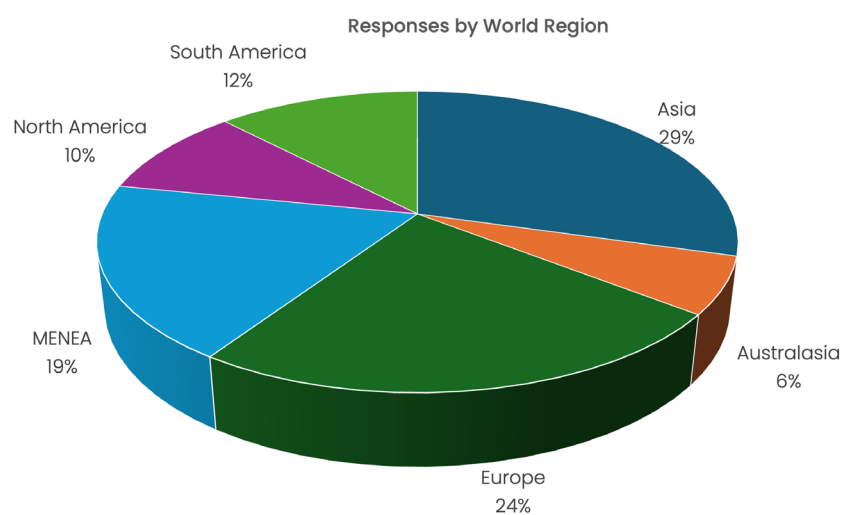
There was a total of 420 responses and the breakdown of the responses is as follows:

- 207 responses via IVSC website
- 11 responses via letter
- Verbal responses from the International Accounting Standards Board (IASB), and World Bank.
- 116 responses from Round Table 1 via interactive questions
- 84 responses from Round Table 2 via interactive questions

The IVS 2024 Agenda Consultation response rate compared favourably with the IVS 2020 Agenda Consultation, in which 55 responses were received.

Written responses by continent were as follows; Asia 29%, Australasia 6%. Europe 24%, MENE 19%, North America 10% and South America 4%,

In addition to the written responses there were 200 responses received from the two interactive round table sessions held on the 17th and 18th September 2024. The interactive round table responses were largely provided by respondents in the Americas and Europe.



Key Topic 1

Environmental, Social and Governance

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, local markets and policy goals.

In addition, there has been an increasing need to consider ESG within the valuation process emanating from requirements such as ISSB S1 and S2 and the EU taxonomy issued by the International Sustainability Standards Board (ISSB) and the EU respectively, and other guidance and requirements issued by Valuation Professional Organisations (“VPO’s”).

The IVSC Technical Boards recognise that ESG continues to be an important consideration 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.

In January 2025, the IVSC’s Standards Review Board and ESG Working Group published the results of the IVSC Global Survey 2024 on *“The Integration of ESG in Valuation Practices.”* (“the Survey”) The survey findings revealed significant uncertainty surrounding the integration of ESG factors in valuation. Moreover, they highlight the diverse pace and direction of ESG adoption across different markets. While this diversity might raise concerns regarding valuation comparability, only 9% of respondents deemed the *‘IVS 104 Appendix on ESG considerations’* insufficient. This suggests that, for the time being, the IVSC has struck a suitable balance in its approach to ESG integration within the IVS framework.

Moreover, the Survey concluded that the integration of ESG factors into valuation practices

is an evolving area that presents both challenges and opportunities for professionals. The IVSC SRB ESG Working Group generally believes that most valuers agree that ESG factors are implicitly accounted for in their valuations. However, survey questionnaire responses show that there is room for explicit consideration, quantification and disclosure of these ESG factors. Comments received from respondents appear to corroborate this position.

The public commentary around ESG appears to have been largely driven by the terms of relevant political and public debates, which in turn are conditioning market participants behaviours. Those market participants should determine whether the valuers serving them should be providing such explicit consideration, quantification and disclosure of ESG factors.

Critically however, valuers must not lose sight of the basis of value being applied, as this will necessarily have a bearing on the role ESG factors play in their valuation.

Over the past few years, the IVSC Technical Boards have continued to explore the impact of ESG on valuations. As part of this inquiry, 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 papers:

- *ESG and Real Estate Valuation (October 2021)*
- *ESG and Real Asset Valuation (September 2024)*

The IVSC Technical Boards reviewed and analysed comments from stakeholders received during the Agenda Consultation, from the ESG survey, in reaction to Perspectives Papers, as well as during continuous engagement in the context of IVS Exposure Draft consultation process.

In consequence, the IVS (effective 31 January 2025) now include 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 might still be in an developmental stage. It states that *“the valuer should be aware of relevant legislation and frameworks in relation to the environmental, social and governance factors impacting a valuation.”*

Furthermore, 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 specific requirements within IVS (effective 31 January 2025).

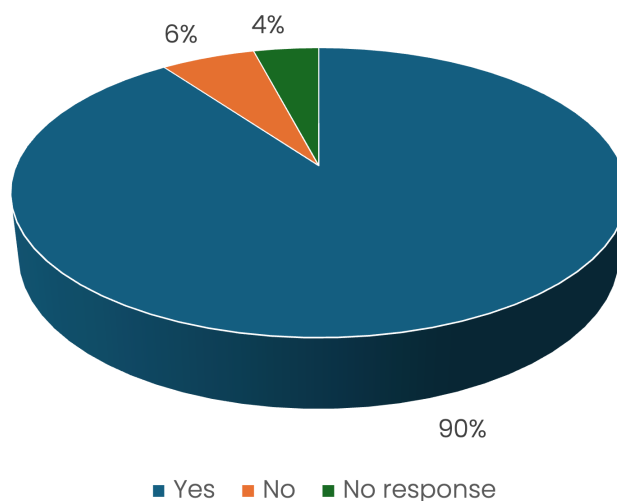
The IVSC Technical Boards agree that ESG requires continued focus due to its continuing importance across all markets. As such, the IVSC Standards Review Board maintain an ESG Working Group to explore the inclusion of more explicit standards in relation to ESG within IVS.

Scope

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

Response Summary

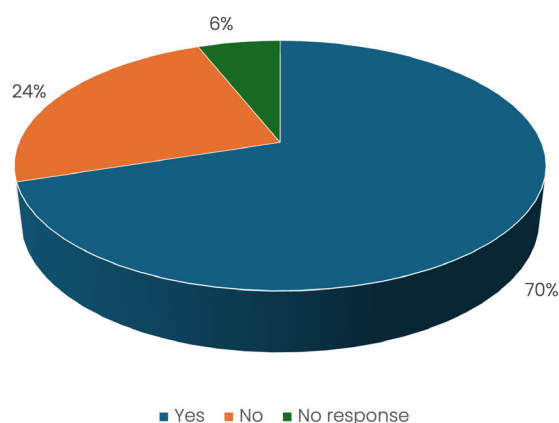
Question 1.1: Do you agree that the consideration of ESG in valuation should be a key topic for the IVSC's boards? If not, why?



Responses: The majority of respondents argued that the consideration of ESG in valuation should be a key topic for the IVSC's Boards, with 90% of respondents saying that this should be a key topic. A small portion of people disagreed (6%) or had no comment (4%). Even though the majority of respondents were in agreement that this should be a key topic there was a range of opinions about the level of detail required, with some respondents believing the detail within IVS (effective 31 January 2025) was sufficient, whereas other respondents requested more detailed technical guidance.

Standards Review Board Comment: The IVSC Standards Review Board reviewed the responses received and considered that the level of detail contained within IVS was sufficient for overarching principles-based standards such as the IVS. However, the IVSC Standards Review Board forwarded the comments in favour of practical technical implementation and guidance on the consideration of ESG factors to the IVSC Advisory Forum. The IVSC Advisory Forum, largely comprises of Valuation Professional Organisations (VPO's), who issue more detailed technical guidance on the implementation of IVS their members. Valuers should also seek additional technical guidance from their VPO, several of whom have already published guidance on the quantification of ESG within valuations'.

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.



Responses: Most respondents argued that IVS should include additional requirements in relation to the consideration of ESG within valuations, with 70% of respondents saying this. A quarter (24%) of respondents argued that no additional requirements were needed and a further 6% of respondents had no comment. In reviewing the responses it was noted that the responses were quite similar, and a sample of the comments received are shown below:

- IVS should not refer to ESG but should refer to sustainability.
- Publicly available information is not reliable.
- There is insufficient data for Social and Governance.
- Further guidance required for quantifying ESG using existing valuation approaches and methodologies.

In reviewing the responses by specialism, and in line with the ESG survey, it appears that there is significant variation in the quality and quantity of data available across the different specialisms.

Standards Review Board Comment: the IVSC Standards Review Board and ESG Working Group will consider the inclusion of further definitions and additional standards in relation to sustainability within the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026. The ESG working group will be issuing their annual survey on “the Integration of ESG in Valuation Practices” in the fourth quarter of 2025. The results of this survey will inform the Standards Review Board in their deliberations on whether further principle-based guidance should be issued on the consideration of ESG within valuations or whether this falls within the remit of the IVSC Advisory Forum (see Question 1.1).

Key Topic 2

Technology in Valuation

Background

Technological advances have affected the conduct of valuations. Such advances include machine learning, deep learning, changes in data sourcing and data processing. These evolutions 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) include requirements on governance, on data and inputs, on valuation models and on 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, it is acceptable to 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 include 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 provide requirements for data to be used and inputs included in the valuation. A valuation should 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. This General Standard 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 details 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.”

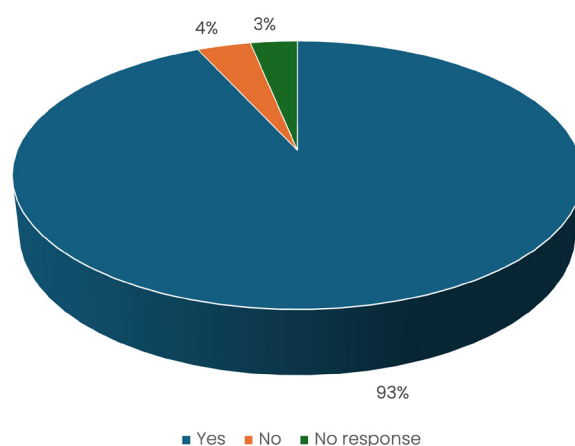
While the IVSC has been working to address technology in valuation, the IVSC Standards Review Board and the IVSC Technical Boards have agreed that this topic needs additional focus due to its continued relevance across all markets.

Scope

The scope of Technology in Valuation applies to all valuations.

Response Summary

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?

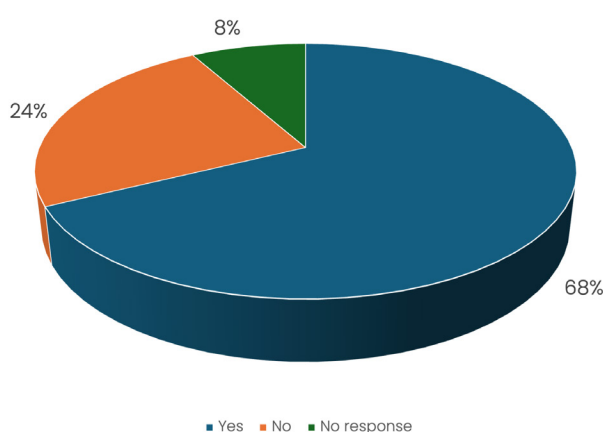


Responses: A vast majority (93%) of respondents argued that the consideration of Technology in valuation should be a key topic for the IVSC’s Boards. A small portion disagreed (4%) or had no comment (3%). Even though most respondents were in agreement that this should be a key topic there was a range of opinions in relation to the level of detail required with some respondents believing the detail within IVS (effective 31 January 2025) was sufficient whereas other respondents requested more detailed technical guidance in relation to the use of artificial intelligence and other forms of technology in valuation.

Standards Review Board Comment: The IVSC Standards Review Board and the IVSC SRB Technology Working Group reviewed the responses received and agreed that the increasing

use of technology in valuation is a key consideration for the next edition of IVS. Both the SRB and the SRB Technology Working Group further noted that many commonly used software programs and outsourced data and valuation models embed some measure of artificial intelligence. In addition, the use of generative AI to write all or part of the market commentary within valuation reports has increased, as has the use of automated valuation reports for some asset classes such as residential valuation

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.



Responses: Most respondents argued that IVS should include additional requirements in relation to the consideration of Technology within valuations with 68% of respondents saying this whereas a further 8% of respondents having no comment and 24% of respondents argued that no additional requirements were needed. In reviewing the responses it was noted that there was a wide range of responses, and a sample of the comments received are shown below:

- Yes, for the mere fact that we now operate in a Technology-based World.
- Yes. Using AI Tech.
- Maybe. Such as the possible risks of using mainstream technologies to obtain data and inputs, the direction of technology and/or tool application, etc.
- The appraiser must always be responsible and never delegate decisions to technology.

Standards Review Board Comment: Further to the responses received the IVSC Standards Review Board and the IVSC SRB Technology Working Group noted that one of the main issues in relation to the use of technology within valuation was disclosure within the scope of work,

documentation and valuation reporting. The IVSC Standards Review Board and the IVSC SRB Technology Working Group further noted that artificial intelligence is embedded in software and data and valuation models provided by service organisations. Also, as technology continues to evolve, this trend will only increase in the foreseeable future. As a result of this trend the IVSC Standards Review Board might consider increasing the disclosure requirements enumerated within IVS 101 Scope of Work and IVS 106 Documentation and Reporting within the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026. Furthermore, the IVSC Standards Review Board will also carry out a full review of IVS 104 Data and Inputs and IVS 105 Valuation Models to ensure that the current requirements are in line with market needs.

Key Topic 3

Valuation Risk

Background

The management of valuation risk is a key part of any valuation.

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.*

Managing valuation risk is important to valuers as they determine the type and modalities of procedures they must perform to produce an IVS-compliant valuation. In addition, other stakeholders such as regulators might 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.*

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.

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 is 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

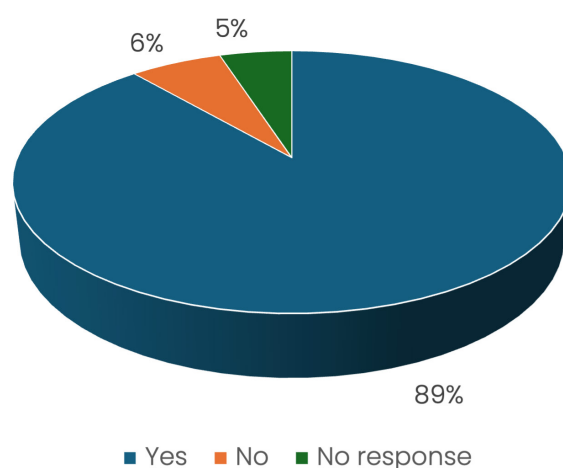
future standard setting needs.

Scope

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

Response Summary

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

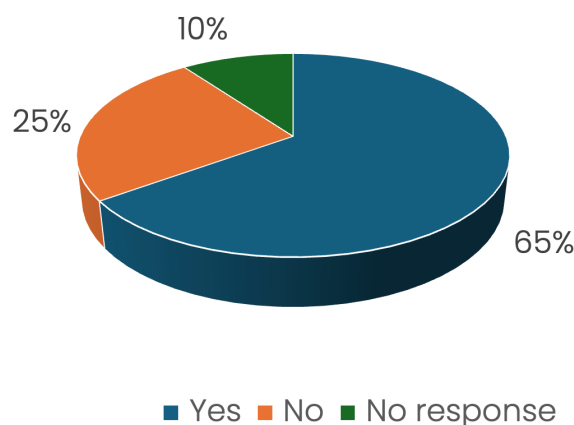


Responses: Most respondents (89%) argued that the consideration of Valuation Risk should be a key topic for the IVSC's boards. A small portion (6%) disagreed or had no comment (5%). Even though the majority of respondents agreed that this should be a key topic there was a range of opinions in relation to the level of detail required within IVS in relation to quality control and the management of valuation risk within the valuation process. Some respondents believed the detail within IVS (effective 31 January 2025) was sufficient whereas other respondents requested more detailed requirement in relation to Valuation Process Quality Control. In particular, several respondents asked for further clarification on para 20.7 within the IVS 100 Valuation Framework, which states that *"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."*

Standards Review Board Comment: The IVSC Standards Review Board and the IVSC SRB Valuation Risk Working Group have reviewed the responses received and agreed that valuation risk is a key consideration for the next edition of IVS. In addition, the SRB and SRB Working Group are reviewing both the definition and the requirements pertaining to the management of

valuation risk throughout the quality control process and will be issuing a perspective paper on this topic to further engage with stakeholders and to understand market needs.

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.



Responses: The majority of respondents argued that IVS should include additional requirements in relation to the consideration of valuation risk within valuations with 65% of respondents saying this. A quarter (25%) of respondents argued that no additional requirements were needed and a further 10% of respondents had no comment. In reviewing the responses it was noted that there was a wide range of responses, and a sample of the comments received are shown below:

- Yes, it is very important to understand the risk and potential impacts.
- Should try to measure the risks and evaluate them.
- Additional requirement is required regarding valuation risk.
- In our view, we believe that the existing requirements in the IVS are adequate.

Standards Review Board Comment: Further to the responses received the IVSC Standards Review Board and the IVSC SRB Valuation Risk Working Group noted that the management of valuation risks and the use of quality controls within the valuation process are a key component of an IVS compliant valuation. The IVSC Standards Review Board and the IVSC SRB Valuation Risk Working Group will be issuing a perspective paper on this topic to further engage with stakeholders and to understand market needs prior to considering including additional requirements within the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026.



Additional Topics 0–2 years

Additional Topics

Current Topics (0 – 2 years)

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 and/or additional valuation standards.

The IVSC Technical Boards had agreed the following current topics should either be Perspectives Papers due to be published in the next two years or potential topics to be incorporated in the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026:

- 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

Further details on each of these topics together with the responsible Technical Board(s) are shown below:

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.

Responsible Board: 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.

Responsible Boards: Business Valuation Board and Financial Instruments Board

Discounts and Premia: The Business Valuation Board 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 a 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.

Responsible Board: Business Valuation Board

Investigations and Evidence: 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.

Responsible Board: Tangible Assets Board

Internally Generated Intangible Assets: The IVSC have published a series of Perspectives Papers on internally generated intangibles including Perspectives Papers on human capital, brand, technology, and data. The Business Valuation Board will continue 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.

Responsible Board: 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. It 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 use of unobservable inputs. Certain observers have noted that 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.

Responsible Board: 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.

Responsible Board: Standards Review Board

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.

Responsible Board: Tangible Assets Board

Trophy Assets:

Further to a previous review of the valuation of Trophy Assets such as sports stadiums/arenas and teams, artwork, non-fungible tokens (“NFT’s”) 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.

Responsible Boards: Business Valuation Board and 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 been featured in several discussions of the Financial Instruments Board, as well as in recommendations formulated during the Exposure Draft consultation. The topic of Financial Valuation Adjustments (FVA) has also been discussed

in several interactions between Financial Instruments 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.

Responsible Board: Financial Instruments Board

Weighting of Inputs and 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.

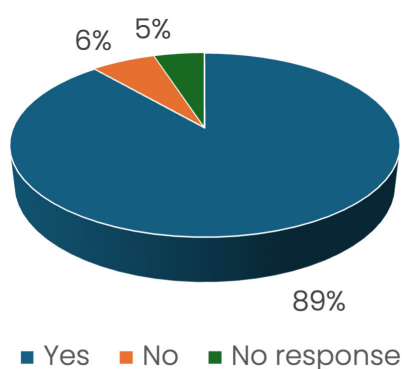
Responsible Board: Standards Review Board

Scope

The scope of the current topics is as outlined above.

Response Summary

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?



Responses: The majority of respondents (89%) agreed with the scope of the project described above and the general prioritisation of topics, whereas only 6% disagreed and a further 5% of respondents had no comment. Some respondents recommended adjustments to the order of prioritisation and others commented that the time period was too short for the consideration of these topics and should be extended to three years. Further, respondents suggested that some

current topics such as Insurance Valuation and Quality Control should be key topics.

IVSC Technical Boards Comment: The IVSC Technical Boards noted that the majority of respondents agreed with both the scope of the project as described and the proposed timing. The IVSC Technical Boards further noted the comments in relation to the 0–2 year time period for consideration of these current topics but argued that this time period was not only sufficient, but necessary to integrate these topics, where applicable within the IVS three yearly publication schedule. The IVSC Technical Boards also noted the comments in relation to prioritisation of these topics but further to discussion considered each of these topics had equal priority and was ultimately the responsibility of each Technical Board(s) to decide how to prioritise their comments.

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).

Responses: The majority of respondents had no further comments on other topics that should be included for consideration by the IVSC Technical Boards within the next two-year period. Some respondents suggested additional topics such as Prudential Value and reconciliation with other standards such as US GAAP and IFRS.


IVSC Technical Boards Comment: The IVSC Technical Boards noted that most respondents had no further comments on other topics that should be included for consideration within the next two-year period. The IVSC Technical Boards further noted that many of the additional topics suggested such as Prudential Value were already being considered by the relevant IVSC Technical Board(s).

In respect of reconciliation with other Standards, the IVSC Technical Directors have drafted a bridging document with the Appraisal Foundation on the bridge between IVS and US GAAP.

The IVSC Technical Boards further noted that the IVS are international, principle-based valuation standards that outline a process resulting in a compliant valuation, regardless of the intended use of the valuation. Such intended uses include but are not limited to financial reporting.

Nonetheless, IVSC Technical Boards noted that many of their members provide valuations mostly or exclusively for financial reporting purposes. Those members are considering implementing additional requirements in relation to the compliance of valuations with financial reporting Standards for valuations whose intended use are financial reporting.

These considerations will be included in the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026.



Additional Topics Beyond 2 years

Additional Topics

Future Topics (Beyond 2 years)

Background

As part of the process for preparing this Agenda Consultation the IVSC Technical Boards 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 had agreed the following future topics should either be the object of Perspectives Papers due to be published in the next two years or potential topics to be incorporated within the forthcoming IVS Exposure Draft, which is due to go into consultation in the first quarter of 2026:

- 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 each of these topics together with the responsible Technical Board(s) are shown below:

Agricultural and Plantation Land /Biological Assets: In June 2019 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.

Responsible Board: 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.

Responsible Boards: 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.

Responsible Board: Tangible Assets Board

Early-Stage Businesses: 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.

Responsible Board: Business Valuation Board

Insurance Valuation: 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.

Responsible Board: 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.

Responsible Board: 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.

Responsible Board: 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.

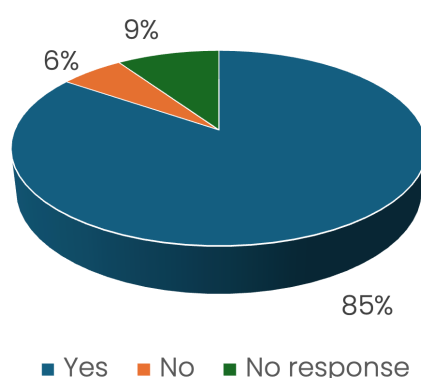
Responsible Board: Tangible Assets Board

Scope

The scope of the current topics is as outlined above.

Response Summary

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?



Responses: The majority of respondents agreed with the scope of the project as described above and the prioritisation (85%) whereas 6% of respondents did not agree and a further 9% of respondents had no comment. Some respondents recommended that some of these topics should have increased prioritisation and should be included as current topics and considered over the next two years.

IVSC Technical Boards Comment: Further to the responses received the IVSC Technical Boards noted that the majority of respondent agreed with the scope of the project as described and the proposed prioritisation. The IVSC Technical Boards further noted the comments in relation to the beyond 2-year time period for consideration of these future topics but argued that this time period was necessary to ensure that these topics were fully considered. Comments in relation to prioritisation of these topics was also noted but, further to discussion, considered each of these topics had equal priority. In addition, it was determined that some of this prioritisation was up to the responsible IVSC Technical Board(s) to determine. Further to discussion between the IVSC Standards Review Board and the IVSC Technical Boards it was agreed that both *"Agricultural and Plantation Land /Biological Assets"*, *"Early Stage Business Valuation"* and *"Quality Control and Individual Valuer"* should be current topics and considered over the next 0-2 years.

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).

Responses: The majority of respondents had no further comments on other topics that should be included for consideration by the IVSC Standards Review Board and the IVSC Technical Boards beyond the next two years. Some respondents suggested additional topics such as *"Business Combination Disclosure"* and *"Goodwill Impairment"*.

IVSC Technical Boards Comment: The IVSC Technical Boards noted that the majority of respondents had no further comments on other topics that should be included for consideration beyond the next two years. The IVSC Standards Review Board further noted that many of the additional topics suggested were already being considered by the responsible IVSC Technical Board(s). In respect of the suggested additional topics of *"Business Combination Disclosure"* and *"Goodwill Impairment"* these topics are currently being considered by the Business Valuation Board, who have already published several perspective papers on Goodwill over the past few years.

ROUNDTABLES

Round Table 1 Responses

The IVSC Standards Review Board provided an Agenda Consultation presentation on the 17th September 2024 and as part of this presentation the participants were asked the following questions:

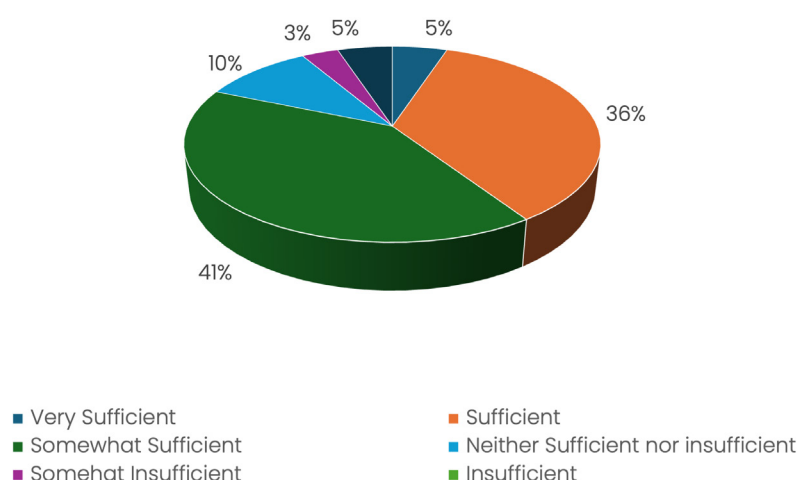
- Is the IVS 104 Appendix sufficient for your valuation needs?
- Should IVS further expand on valuation risk?
- Should IVS include sections on the use of AI?
- Do you agree with the prioritisation for the current topics?

There were 116 participants at the round table all of whom were provided with the opportunity to respond directly to the interactive questions.

Background

The IVSC received the following responses to the interactive questions illustrated in the charts below;

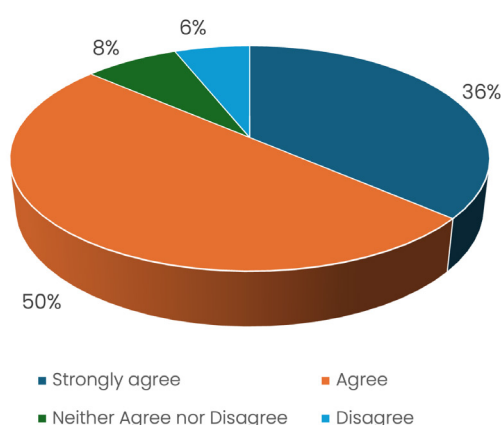
Question 1: Is the IVS 104 Appendix sufficient for your valuation needs? (59 responses received)



Responses: The majority of respondents 95% agreed that the IVS 104 Appendix was sufficient for their needs whereas 5% of respondents considered the IVS 104 Appendix to be very insufficient for their needs.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS 104 Data and Inputs Appendix on ESG considerations was sufficient or very sufficient for their needs. The IVSC Standards Review Board further noted that those respondents who considered the Appendix to be very insufficient for their needs were seeking more detailed technical guidance, which is beyond the scope of overarching principle based standards. The IVSC Standards Review Board advised the IVSC Advisory Forum that further technical guidance was needed in relation to the consideration of ESG factors in valuation. Valuers should also seek additional technical guidance from their VPO, several of whom have already published guidance on the quantification of ESG within valuations’.

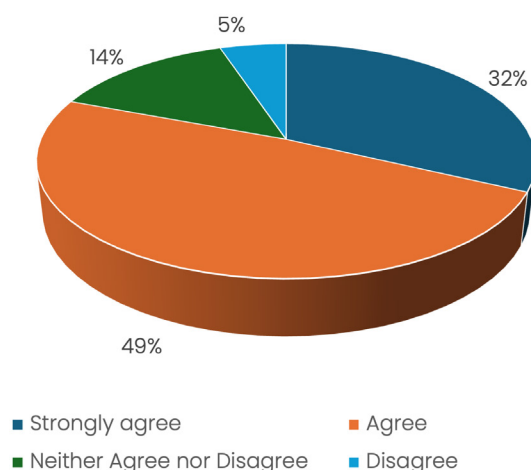
Question 2: Should IVS further expand on valuation risk? (66 responses received)



Responses: The majority of respondents 86% considered that IVS should further expand on valuation risk and 14% of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS should further expand on valuation risk. The IVSC Standards Review Board further noted that those respondents who disagreed with this largely considered this to be beyond the remit of an overarching principle based standard. The IVSC Technical Boards disagree with this point of view and see the management of valuation risk as a key component of the valuation quality control process.

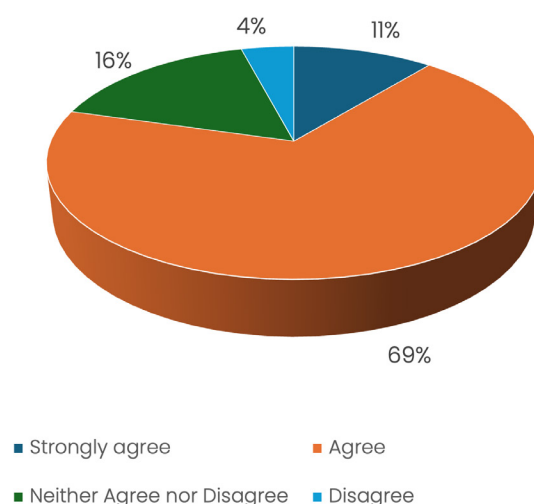
Question 3: Should IVS include sections on the use of AI? (78 responses received)



Responses: The majority of respondents 81% agreed that IVS should include sections on the use of AI and 19 % of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS should include sections on the use of AI. The IVSC Standards Review Board considers the use of technology and AI in valuation to be a key topic to meet market needs. The IVSC Standards Review Board further noted that those respondents who disagreed were largely concerned with automated valuation models providing valuation results with no valuation quality control process.

Question 4: Do you agree with the prioritisation for the current topics? (73 responses received)



Responses: The majority of respondents 80% agreed with the prioritisation for the current topics and 20% of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed with the prioritisation for the current topics. The IVSC Standards Review Board further noted that those respondents who disagreed were largely concerned with the prioritisation of certain topics within the current topic list.

Round Table 2 Responses

The IVSC Standards Review Board provided an Agenda Consultation presentation on the 18th September 2024 and as part of this presentation the participants were asked the following questions:

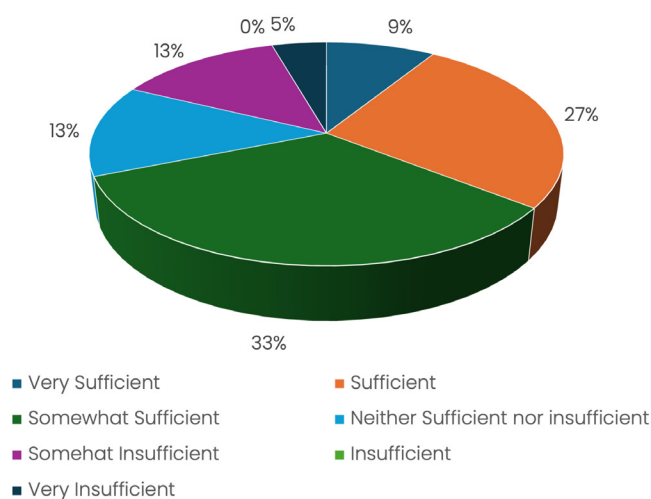
- Is the IVS 104 Appendix sufficient for your valuation needs?
- Should IVS further expand on valuation risk?
- Should IVS include sections on the use of AI?
- Do you agree with the prioritisation for the current topics?
- Which current topics would you select in a 'TOP 3'?
- Which future topics would you select in a 'TOP 3'?

There were 84 participants at the round table all of whom were provided with the opportunity to respond directly to the interactive questions.

Background

The IVSC received the following responses to the interactive questions illustrated in the charts below;

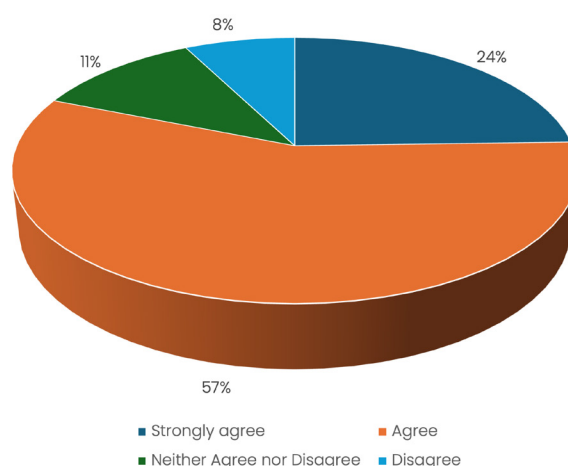
Question 1: Is the IVS 104 Appendix sufficient for your valuation needs? (45 responses received)



Responses: The majority of respondents 82% agreed that the IVS 104 Appendix was sufficient for their needs whereas 18% of respondents considered the IVS 104 Appendix to be insufficient for their needs.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS 104 Data and Inputs Appendix on ESG considerations was sufficient or very sufficient for their needs. The IVSC Standards Review Board further noted that those respondents who considered the Appendix to be insufficient for their needs were seeking more detailed technical guidance, which is beyond the scope of an overarching principle based standards. The IVSC Standards Review Board advised the Advisory Forum that further technical guidance was needed in relation to the consideration of ESG factors in valuation.

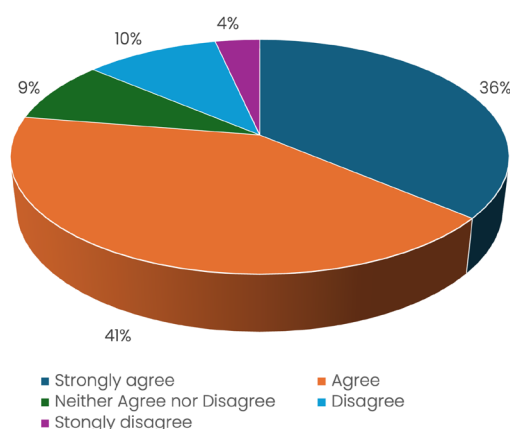
Question 2: Should IVS further expand on valuation risk? (53 responses received)



Responses: The majority of respondents 81% considered that IVS should further expand on valuation risk and 19% of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS should further expand on valuation risk. The IVSC Standards Review Board further noted that those respondents who disagreed with this largely considered this to be beyond the remit of an overarching principle based standard. The IVSC Standard Review Board disagree with this point of view and see the management of valuation risk as a key component of the valuation quality control process.

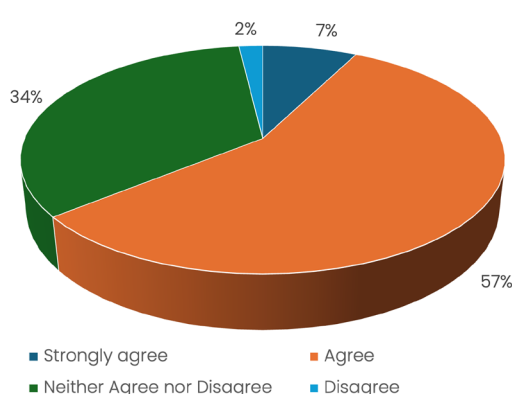
Question 3: Should IVS include sections on the use of AI? (58 responses received)



Responses: The majority of respondents 77% agreed that IVS should include sections on the use of AI and 23% of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed that IVS should include sections on the use of AI. The IVSC Standards Review Board consider the use of technology and AI in valuation to be a key topic to meet market needs. The IVSC Standards Review Board further noted that those respondents who disagreed were largely concerned with automated valuation models providing valuation results with no valuation quality control process.

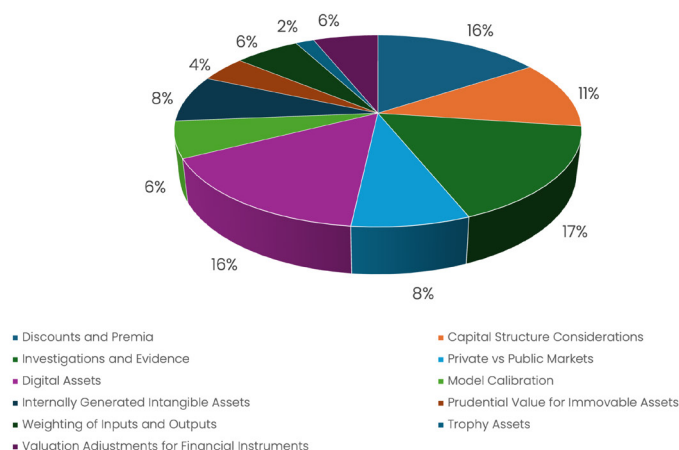
Question 4: Do you agree with the prioritisation for the current topics? (53 responses received)



Responses: The majority of respondents 91% agreed with the prioritisation for the current topics and 9% of respondents had no particular view or disagreed.

Standards Review Board Comment: The IVSC Standards Review Board noted that the majority of respondents agreed with the prioritisation for the current topics. The IVSC Standards Review Board further noted that those respondents who disagreed were largely concerned with the prioritisation of certain topics within the current topic list.

Question 5: Which current topics would you select in a 'TOP 3'?

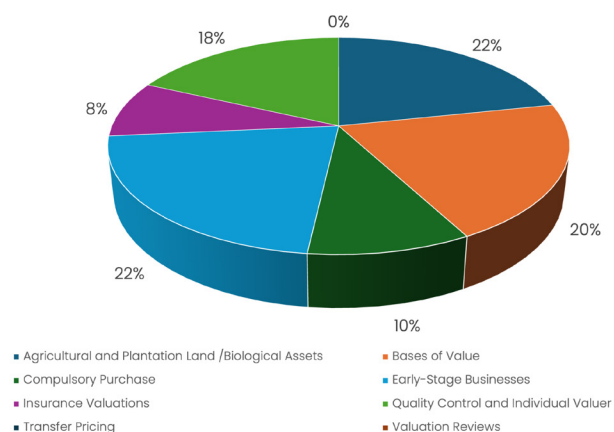


Responses: The majority of respondents placed the following current topics within their Top 3:

- Capital Structure Considerations
- Digital Assets
- Discounts and Premia
- Investigations and Evidence

Standards Review Board Comment: The IVSC Standards Review Board noted the proposed current topic prioritisation and advised the responsible Boards accordingly.

Question 6: Which future topics would you select in a 'TOP 3'?



Responses: The majority of respondents placed the following future topics within their Top 3:

- Agricultural and Plantation Land /Biological Assets
- Bases of Value
- Early-Stage Businesses
- Quality Control and Individual Valuer

Standards Review Board Comment: The IVSC Standards Review Board noted the proposed future topic prioritisation and advised the responsible Boards accordingly.



Final Agenda 2025 – 2028

Final Agenda 2025 to 2028

Further to the IVSC Agenda Consultation, which closed on 9 October 2024, the IVSC Standards Review Board, and the IVSC Technical Boards have reviewed the 420 responses received and have finalised their Agenda for 2025 to 2028 the details of which are shown below:

Key Topics

- Environmental, Social and Governance (ESG)
- Technology in Valuation
- Valuation Risk

Current Topics (0–2 years)

- Discounts and Premia
- Early-Stage Businesses
- Investigations and Evidence
- Internally Generated Intangible Assets
- Model Calibration
- Private vs Public Markets
- Prudential Value for Immovable Assets
- Quality Control and Individual Valuer
- Valuation Adjustments for Financial Instruments
- Weighting of Inputs and Outputs

Future Topics (Beyond 2 years)

- Agricultural and Plantation Land / Biological Assets
- Bases of Value
- Capital Structure Considerations
- Compulsory Purchase
- Digital Assets
- Insurance Valuations
- Transfer Pricing
- Trophy Assets
- Valuation Reviews

The IVSC Technical Boards may change the prioritisation of some of these topics over the next three years or may introduce additional topics according to market needs.


Changes to the proposed Agenda will be published on the [IVSC Agenda Consultation website page](#).

If you have any further questions in relation to the Agenda Consultation Summary of responses please send your query to aaronsohn@ivsc.org.




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