

# IVSC SRB Meeting Prague Meeting Update June 2025

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

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

The Board met in person and virtually between the 11<sup>th</sup> and 13<sup>th</sup> June 2025. The topics in order of Discussion were:

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### Administration

- Welcome  
(*IVSC SRB Meeting Update April 2025 and 2025.06.04. Final SRB Prague Meeting Agenda SRB Members Version*)
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(*IOSCO recommendations in relation to IVSC*)
  - Discussion of IOSCO Document
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### Asset Board Updates

- BVB Update  
(**Current Topics (0-2 Years):** *Discounts and Premia, Early-Stage Businesses, Internally Generated Intangible Assets, Model Calibration.* **Future Topics (Beyond 2 Years):** *Capital Structure Considerations, Bases of Value, Early-Stage Businesses, Transfer Pricing, Trophy Assets.*)
  - Update from meetings
  - Intended changes to IVS 220, IVS 210, IVS 220 & IVS 230
  - Discussion and initial approval of proposed changes and next steps
  - Agenda consultation topics
  - Perspective paper status
  - AOB
- FIB Update

**(Current Topics (0-2 Years):** *Digital Assets and Valuation Adjustments for Financial Instruments.* **Future Topics (Beyond 2 Years):** *None.*)

- Update from meetings
- Intended changes to IVS 500
- Discussion and initial approval of proposed changes and next steps
- Agenda consultation topics
- Perspective paper status
- AOB

### **Asset Board Updates cont.**

- TAB Update

**(Current Topics (0-2 Years):** *Investigations and Evidence, Prudential Value for Immovable Assets and Quality Control and Individual Valuer.* **Future Topics (Beyond 2 Years):** *Agricultural and Plantation Land /Biological Assets, Insurance Valuation, Trophy Assets and Valuation Reviews*)

- Update from meetings
- Comments on IVS General Standards
- Intended changes to IVS 300, IVS 400 and IVS 410
- Discussion and initial approval of proposed changes and next steps
- Agenda consultation topics
- Perspective paper status
- AOB

### **FAQ Discussion**

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### **Working Group Updates**

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- ESG/Sustainability Working Group  
(2025.06.02. *Sustainability and ESG\_Discussion V2*)
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- Listed vs Unlisted
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(2025.06.03. *Draft Use of Technology in Valuation Perspectives Paper clean*)
  - Updates from meetings
  - Intended changes to IVS
  - Glossary adjustments
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### **Working Group Updates cont.**

- Glossary Working Group  
(2025.06.05. *IVS Glossary*)
  - Updates from meetings
  - Intended changes to Glossary
  - SRB approval
- Valuation Risk Working Group  
(2025.06.03. *Definition of Valuation Risk and Value Uncertainty Perspectives Paper\_v2* and 2025.05.30. *IVSC Perspectives Paper Getting the Process Right Exploring-Valuation-Risk.pdf*)
  - Updates from meetings
  - Intended changes to IVS
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  - AOB

### **IVS Exposure Draft**

- Use of Management Inputs  
(*Checklist Management Inputs Valuation and AS 2501\_ Auditing Accounting Estimates, Including Fair Value Measurements \_ PCAOB*)
  - Proposed Revisions to IVS 104
  - Introduction - Susan DuRoss
  - Potential changes to IVS
  - SRB approval as applicable
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- Quality Control  
(2025.05.30. *Quality Control* and 2025.06.02. *IVS General Standards Working Copy*)
  - Introduction
  - Goal - determine additions/locations within General Standards
  - Discussion
- Approval of IVS changes
  - QC
  - Glossary items
- IVS Publication Timetable  
(2025.05.29. *IVS Effective 31 January 2028 Publication Schedule*)

- Numbering and Layout of IVS Discussion - All
  - Introduction
  - Examples
  - Identify needed changes (renumber titles etc.)
  - Discussion
  - Next steps

## **Review**

- Review of IVS Public Communications  
*(2025.05.01. IVS Bylaws and IVSC Standards Review Board Due Process and Working Procedures and IVSC Standards Review Board Process and Working Procedures)*
- Review of SRB Agenda Consultation Topics  
*(Key Topics: ESG, Technology in Valuation, Valuation Risk. Current Topics (0-2 Years): Private vs Public Markets and Weighting of Inputs and Outputs. Future Topics (Beyond 2 Years): None)*
- Review of IVS Working Groups  
*(2025.05.28. IVSC SRB Working Groups List)*
  - 1. IVSC SRB ESG Working Group (Also ISSB)
  - 2. IVSC SRB Valuation Risk Working Group
  - 3. IVSC SRB Listed vs Unlisted Working Group
  - 4. IVSC SRB Technology in Valuation Working Group
  - 5. IVSC SRB Glossary Working Group
  - Possible New Working Groups
  - IVSC SRB Numbering and Layout Working Group
  - IVSC SRB IOSCO Working Group

## **Public Meeting**

- IVSC SRB Public Meeting
  - IVSC SRB Prague Meeting Update
  - IVSC Asset Board Prague Meeting Update (BVB, FIB, TAB)
  - IVSC SRB Working Group Prague Meeting Update (ESG, Technology, Glossary, Valuation Risk)

## **Administration**

- IVSC AGM Delhi
  - (27th October 2025 – 29th October 2025)
- Future Meetings
  - March - Mexico City (4th March 2026 – 6th March 2026)
  - June - Lisbon (17th June 2026 – 19th June 2026)
- AOB

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

## Administration

### **Welcome (IVSC SRB Meeting Update April 2025 and 2025.06.04. Final SRB Prague Meeting Agenda SRB Members Version)**

*(Attendance, approval of minutes and review of agenda)*

SD welcomed the Board and thanked them for their attendance,

The Board reviewed the IVSC SRB Meeting Update April 2025 and agreed that it was an accurate report of the meeting.

There were no further revisions suggested, and the meeting update was approved by the SRB.

SD advised the Board that there was a full agenda over the next few days.

SD further advised that the main focus of this meeting was revisions to IVS in advance of the IVS Exposure Draft being issued for consultation in January 2026.

SD also advised that the Board had previously advised stakeholders that there would not be major changes to the IVS General Standards in the next edition of IVS so before making any changes the Board needed to have a good rationale for these changes.

### **Next steps**

None.

### **IVSC SRB CEO Update (IOSCO recommendations in relation to IVSC)**

*(Discussion of IOSCO Document , IVS and IFRS, Input from Alex Cheong, Next Steps)*

NT advised that it was a pleasure to see so many SRB members at this meeting.

NT further advised that Mustafa Elkaliouby had joined the IVSC as the new IVSC Middle East Director.

NT also advised that the IVSC Investors Forum had continued to expand with new constituents from the US, Middle East and potentially Australia.

NT added that the IVSC had been engaging with IOSCO, who see valuation as a key area of focus for financial markets.

NT further added that IOSCO is the international body that brings together the world's securities regulators and is recognized as the global standard setter for financial markets regulation.

NT also added that IOSCO develop, implement and promote adherence to internationally recognized standards for financial markets regulation and work closely with other international organizations on the global regulatory reform agenda.

NT advised that IOSCO membership regulates more than 95% of the world's securities markets in more than 130 jurisdictions.

NT further advised that IOSCO have made a number of recommendations that IVSC see part of their work together.

The Board was provided with a summary of the recommendations and were advised that the recommendations were extremely confidential at this stage and should not be shared beyond the Board or discussed with other parties.

The Board generally discussed the recommendations and advised NT that the Board would provide NT with their thoughts in due course.

The Board also discussed setting up a small IVSC SRB Financial Reporting Project Group to explore the IOSCO recommendations and to draft a Project brief.

### **Next steps**

The Board to provide NT with their comments on the IOSCO recommendations. SRB to set up an IVSC SRB Financial Reporting Project Group to explore the IOSCO recommendations and to draft a Project brief.

## **Asset Board Updates**

**BVB Update (Current Topics (0-2 Years): Discounts and Premia, Early-Stage Businesses, Internally Generated Intangible Assets, Model Calibration. Future Topics (Beyond 2 Years): Capital Structure Considerations, Bases of Value, Early-Stage Businesses, Transfer Pricing, Trophy Assets.)**

*(Update from meetings, intended changes to IVS 220, IVS 210, IVS 220 & IVS 230, discussion and initial approval of proposed changes and next steps, agenda consultation topics, perspective paper status and AOB)*

The Board was advised that the BVB also reviewed the IOSCO recommendations.

The Board was further advised that Richard Goh of the Inland Revenue Authority of Singapore (IRAS) provided a presentation on the key differences between financial reporting, tax reporting and financial pricing. Richard Goh was speaking in his personal capacity.

The Board was also advised that Stefano Zambon (*Professor of Accounting and Business Administration at University of Ferrara, and Secretary General, Italian Foundation for Business Reporting (O.I.B.R.)*) provided a presentation on the *Latest Trends in Intangibles Measurement and Disclosure*.

Further to Stefano Zambon's presentation the BVB discussed ongoing discussions with World Intellectual Property Organization (WIPO - <https://www.wipo.int/portal/en/>) and the World Intangible Capital Initiative (WICI - <https://www.wici-global.com>).

The Board was informed that he provided a presentation and the BVB would be happy to share a copy of the presentation.

The Board was further informed that Catilina Miranda led a discussion on intangible assets valuation guidelines prepared by IVAS together with ASA, CBVI and RICS. The draft was circulated to BVB members.

This Board was advised that these guidelines will be put up for public consultation.

The Board was also informed that the BVB reviewed the BVB Asset Standards (IVS 200, IVS 210, IVS 220 and IVS 230) and were in the process of discussing merging some of these chapters and revising the structure to be in line with the IVS General Standards.

The Board was advised that in relation to the potential merger of the business valuation chapters the BVB had considered the following options:

- 1) Keep the existing chapter structure (IVS 200, IVS 210, IVS 220 & IVS 230).
- 2) Keep IVS 200 and IVS 210 as separate chapters.
- 3) Create an overarching preamble and merge IVS 200, IVS 220 and IVS 230 while keeping IVS 210 separately.

The BVB further advised that IVS 210 Intangible Assets that stakeholders had reminded Board members and IVSC staff that the IVS are used for a multiplicity of intended uses.



The Board was also advised that the BVB discussed whether further standard changes were required including technical guidance in relation to calibration.

The Board was informed that the BVB also discussed the Agenda consultation current and future topics and agreed to focus on early stage valuation and discounts and premia, possibly through perspective papers.

In addition the BVB reviewed current initiatives around intangible assets and further discussed the need to connect with the OECD on transfer pricing.

The Board was further informed that the BVB also discussed potential changes to the IVS General Standards and whether these would require consequential amendments to the IVS Business Valuation Standards.

The Board was also informed that James Moulton provided a presentation on Technology and Automation.

BVB representatives discussed how AI is used in valuation models and other parts of valuation including report writing.

The Board was further advised that the reference to AVMs in IVS was slightly outdated as the market was now more focussed on the use of AI in valuation.

BVB representatives discussed the level of due diligence required to use AI in valuation and the use of AI for valuation report writing.

The Board was informed that the BVB representatives also reviewed the forthcoming perspectives paper on the use of technology in valuation and found it very useful.

The Board was further informed that the BVB discussed ESG considerations in valuation and noted that though this was a key consideration with Europe due to EU regulations, there was less emphasis on this topic in North America.

BVB representatives discussed ISSB S1 and S2, which clearly states the company has to state any impact on cashflows and future risks. Hence, this is something to keep in view.

The Board was also advised that the BVB had held a public meeting on Tuesday 10<sup>th</sup> June where the Agenda consultation as well as current and future topics were discussed.

## Next steps

BVB to share a copy of the Richard Goh and Stefano Zambon's presentation with the Board.

**FIB Update (Current Topics (0-2 Years): Digital Assets and Valuation Adjustments for Financial Instruments. Future Topics (Beyond 2 Years): None.)**  
*(Update from meetings, intended changes to IVS 500, discussion and initial approval of proposed changes and next steps, agenda consultation topics, perspective paper status and AOB)*

The Board was advised that the main focus of the FIB meeting was the drafting FAQs to be shared with the SRB.

The Board was further advised that the FAQ intended to be principle based but still required sufficient level of detail to be useful.

The Board was further advised that the topics of the FAQs were as follows:

- Data, inputs and assumptions
- Valuation models
- Valuation Process Quality Control
- Documentation

The Board was informed that the FIB discussed the usefulness of specific examples.

The Board was further informed that the FIB noted that more specific FAQs would be more relatable but if the example was too specific it would not be relevant to all stakeholders.

The Board was also informed that the sample FAQs would be discussed in detail under a subsequent agenda item.

The Board was advised that the FIB had discussed outreach and identified organisation with shared objectives such as the IACPA and banking regulators.

The Board was further advised that due to the variety and range of potential stakeholders and intended users this was quite complicated and currently a work in progress.

The Board was also advised that the FIB had been reviewing the section within IVS 500 on Valuation Adjustments as they felt that some of the language used within this section was open to interpretation and therefore some revisions were required to provide further clarity.

The Board was informed that the FIB felt that only minor revisions were required to provide additional clarity.

The Board was further informed that the FIB had discussed the potential incorporation of some of the principles within IVS 500 within the IVS General Standards.

The Board was also informed that the FIB also discussed the creation of FI VPO's and how the IVSC Global Membership and Standards Recognition Committee and the Advisory and Academic Forum could assist in this process.

The Board was advised that the FIB also discussed outreach and branding and in particular the creation of quarterly webinars on FI topics.

The Board was further advised that the FIB held a public meeting and the topics discussed were as follows:

1. Discussion on FAQs - approach and status
2. Discussion on Valuation Risk - approach and status
3. Discussion on Outreach - webinars held and future plans
4. Approval of Meeting notes

### **Next steps**

None.

**TAB Update (Current Topics (0-2 Years): Investigations and Evidence, Prudential Value for Immovable Assets and Quality Control and Individual Valuer. Future Topics (Beyond 2 Years): Agricultural and Plantation Land /Biological Assets, Insurance Valuation, Trophy Assets and Valuation Reviews)**

*(Update from meetings, comments on IVS General Standards, intended changes to IVS 300, IVS 400 and IVS 410, discussion and initial approval of proposed changes and next steps, agenda consultation topics, perspective paper status and AOB)*

The Board was advised that the primary focus of the TAB over the past few months was the integration of IVS 400 Real Property Interests and IVS400 Development Property.

The Board was further advised that the TAB are looking to get these revisions signed off in advance of the IVSC Delhi AGM.

The Board was also advised that the TAB had some preliminary discussions in relation to the IOSCO recommendations.

The Board was informed that the TAB held a public meeting on Tuesday 10<sup>th</sup> June and was further informed that the TAB discussed the following topics:

- *Insight Topic 1: How are valuation professionals embracing technology around the globe?*
- *Insight Topic 2: Navigating Risk - Quality Control, Valuation Risk & Value Uncertainty?*

The Board was advised that the TAB had good interaction from online attendees.

The Board was further advised that in Australia the use of AI in expert reports had been challenged and experts now had to sign off that AI was not used in their expert reports.

The Board was also advised that this was more or less impossible to do as AI was embedded in a number of programs used by expert witnesses.

The Board was informed that this requirement raised questions on the use of online resources.

The Board noted that in some courts in Australia and the USA AI was not allowed to be used for expert witness work.

The Board further noted that this was not the case in the UK.

The Board also noted that in Singapore expert witnesses needed to follow the evidence act and specific external procedures, otherwise evidence is seen as hearsay.

SU advised that in Dubai AVMs were commonly used for real estate valuation.

SU further advised that Dubai had the biggest database outside the UAE .

SU also advised that there was no hesitation in using technology in the UAE and the use of technology was embraced.

SU added that Dubai had already adopted the tokenisation of real estate and that the use of technology was embraced by the government.

SU further added that AI was regularly used by valuers for transactions.

SU also added that block chain had been used for more than 5 years, and other forms of technology were embedded in the market.

SU advised that transactions and mortgages all had AI embedded within and if valuers did not use AI and other forms of technology then they would not be in line with market practices and would be seen as falling behind.

SU further advised that recently CHAT GPT had become very popular.

SU also advised that most financial valuations used in house AI for portfolio, private equity, credit and real estate valuations.

SU added that there was a licensing requirement for valuations and government data was constantly updated.

The Board was advised that post publication of the IVSC SRB Use of Technology in Valuation perspective the TAB was considering reactivating the IVSC TAB AI working group to draft a perspective paper on the use of technology in real estate valuation.

The Board was further advised that the TAB also discussed valuation risk and noted the recent court case of *“Bratt v Jones (2025) EWCA Civ 562”* the court had determined what constituted a reasonable range.

JC advised that the law in Portugal allowed a 20% variance in valuations,

The Board was also advised that TAB also considered proposed changes to the General Standards such as :

- Sustainability definition
- Management Inputs
- Quality Control
- Valuation Risk and Value Uncertainty

The Board was further advised that KH would provide the TAB perspective under the relevant Agenda Items.

The Board was also advised that TAB had discussed the valuation of Trade Related Property and was considering setting up an IVSC TAB Trade Related Property working group.

## **Next steps**

None.

## **FAQ Discussion**

### **FAQ Discussion (Discussion and approval of FAQs and FAQ Uses Discussion)**

The Board was advised that the FIB had drafted FAQ's on the following topics:

- Data, inputs and assumptions
- Valuation models
- Valuation Process Quality Control
- Documentation

The Board was further advised that in relation to the topics above the FAQ's included the following questions:

**Question 1:** *I have been tasked with estimating a fair value for a private asset. A key input is unobservable and will require a high degree of professional judgement. How do I think about this in the context of IVS 500.*

**Question 2:** *I am evaluating an alternative valuation model to value fixed income securities. What are the requirements in the IVS that I should consider related to valuation models?*

**Question 3:** *I am valuing a portfolio of assets. The total amount of assets has grown in recent years and markets have become noticeably more volatile. I am re-evaluating my quality controls. What aspects of IVS 500 could help me think through that?*

**Question 4:** *I am performing an initial valuation of a portfolio of loans. I need to draft documentation for the first time. Is there guidance in IVS 500 that highlights documentation considerations for financial instruments?*

The Board reviewed the FAQs and draft responses and raised the following questions:

*Who is the audience?*

*What is the goal of the FAQ's?*

The Board had some concerns that the FAQs were aimed at the naive user and should be aimed at the financial instruments valuer.

The Board had some concerns that the FAQ's responses were dumbed down and were only useful for first time users of IVS.

The Board suggested that there could be different levels of responses, so the responses applied to both sophisticated and naïve users.

The Board asked the FIB to review the FAQs and to consider drafting more complex questions and responses aimed at the more sophisticated user of IVS.

### **Next steps**

FIB to review the FAQs and to consider drafting more complex questions and responses aimed at the more sophisticated user of IVS.

## **Working Group Update**

### **Academic Forum**

*(Update from meetings and AOB)*

The Board was advised that the IVSC SRB Academic working group was focussed on the following: -

- 1) Universities:** *to ensure IVS is included in university valuation courses and to assist in the development of these courses in all market, particularly in the fields of business, financial instruments, intangible asset and plant, equipment and infrastructure valuation.*
- 2) Research:** *to get academics to research key valuation topics such as ESG and sustainability, technology in valuation, valuation risk and value uncertainty, where further guidance was needed. This research needed a framework and Board overview to ensure that there were no contradictions with IVS.*
- 3) IVS Working Group:** *to connect between the IVS Academic Forum and the IVSC Asset Boards to understand standard setting needs. The Asset Boards should advise the academic forum of key topics for investigation such as discount rates and to use the Academic Board to test new standards within IVS, where applicable.*

The Board noted that the Boards would need to have a relationship with the Academic Forum to ensure that any output was fit for purpose.

The Board further noted that the Asset Boards should produce a list of topics over the next few weeks on standard setting, education and research for the Academic Forum to consider.

The Board discussed the Academic Forum attendees and was advised that neither JC nor AA had a clear idea on how participants were chosen.

The Board was advised that at this point in time Academic Forum participants Varied from meeting to meeting.

The Board was further advised that the majority of Academic Forum participants were focussed business valuation or tangible asset valuation and there were limited, if any, participants specialising in financial instruments valuation.

The Board was also advised that the IVSC Academic Forum met on a quarterly basis and were currently in the process of analysing their participants and structure.

JC and AA informed the Board that they would prepare a list of the meeting participants.

The Board was further informed that JC and AA would reach out to the Asset Boards to find their Top 3/4 topics.

The Board agreed that the Academic Forum should be an agenda item on all future agendas.

The Board considered that it was important to have some control of the Academic Forum output to ensure that no documents were published, which conflicted with IVS.

The Board further considered that it was important to ensure JC's and AA's participation to ensure that the Academic Forum's aims aligned with the Asset Boards.

### **Next steps**

JC and AA to prepare a list of previous Academic Forum attendees and will also reach out to the Asset Boards to find their Top 3/4 topics for the Academic Forum to consider. AA to include the Academic Forum as an agenda item for all future Board agendas.



**ESG/Sustainability Working Group (2025.06.02. Sustainability and ESG Discussion V2)**

*(Updates from meetings, intended changes to IVS, sustainability definition and approval perspective paper status and AOB)*

The Board was advised that the main purpose of the IVSC ESG and Sustainability working group was as follows:

- Launch perspective papers and improve IVS.
- Assist market in definitions and consideration of ESG and Sustainability in valuation.
- Further standards in relation to ESG, which incorporate sustainability.
- Discussion vs perspectives paper.

The Board was further advised that the IVSC SRB ESG and Sustainability working group was planning to issue an updated ESG survey later this year.

The Board was also advised that in order to ensure comparability with previous survey results the working group intended to keep the same questions as the previous survey but may add one or two additional questions.

The Board noted that the results of this year ESG survey would help inform future perspectives papers and potential revisions to IVS

The Board was advised that the last three working group meetings were mainly concerned with the ESG Survey and the inclusion of sustainability within the IVS 104 Data and Inputs Appendix on ESG considerations.

The Board was further advised that in some parts of the world such as North America the term ESG had become a politically charged terms and these markets were now referring to sustainability instead of ESG.

The Board was informed that that the working group felt that definition was the end goal and ESG was a framework to achieve this.

The Board was further informed that the working group considered that sustainability included the following:

- *Managing dependencies and impacts across the business ecosystem.*
- *Preserving and regenerating financial, natural, and human capital.*
- *Supporting long-term resilience and value creation.*

*As articulated in IFRS S1 (ISSB), sustainability is a condition for maintaining access to key resources and relationships over time.*

The Board was advised that further to these discussions the Board had proposed the following revised definition for ESG and the following definition for sustainability:

*ESG is a framework for assessing and disclosing the impacts of environmental, social, and governance factors in the **operation** of an **entity**, asset, or liability, which collectively may impact performance and value.*

*Sustainability is a concept encompassing the resilience of an entity, asset and/or liability.*

The Board broadly agreed with these definitions and recommended that these definitions were sent to the IVS Glossary working group for consideration and review.

The Board discussed the use of the work “*company*” within IVS and felt that as this did not include all users such as not for profit organisations.

Further to discussion it was agreed that the term “*entity*” instead of company should be used throughout IVS.

## **Next steps**

Definitions of ESG and Sustainability to be sent to the IVSC SRB Glossary working group. AA to review IVS and change “*company*” to “*entity*”, where applicable.

## **Listed vs Unlisted**

*(Updates from meetings and AOB)*

The Board was advised that the perspectives paper titled “*Mind the Gap: Exploring the Divergence in Public and Private Real Estate Markets*” had been approved for publication.

The Board was further advised that the focus of the perspectives paper was limited to the gap between the public and private assets as it relates to real estate.

The Board was further advised that this was part of a series of perspectives papers and the second perspective paper in the series would consider the following:

*“Valuation governance and regulation: Are investors, stakeholders and regulators in private markets yearning for greater valuation transparency?”*

The Board was also advised that the perspectives paper noted the following characteristics of private and public assets:

Characteristic	Public Asset	Private Asset
Assets traded/transacted	Fractional interest (share)	Typically, whole asset / underlying title or significant ownership interest.
Market participant (typical)	Individual retail investor to institutional capital	Institutional or holders of significant capital
Control	Low to nil	High to complete
Investor Hold Period	Shorter	Longer
Sentiment	Higher	Lower
Liquidity	Higher	Lower
Propensity for management to prioritise short term (rather than long term) returns/objectives	Higher	Lower
Investor access to management	Lower	Higher
Assets traded/transacted	Lower	Higher
Corporate & Regulatory Requirements	Higher	Lower

The Board was informed that the perspectives paper included the following consultation questions:

*Question 1: What other reasons do you believe result in the divergence of public and private real estate markets?*

*Question 2: How can regulators, management and boards of public and private real estate holding companies contribute to better disclosure?*

*Question 3: To what extent do you believe that sentiment in public markets accounts for the “gap”?*

*Question 4: In what ways can real estate valuation stakeholders improve valuation quality during times of volatile markets or a low transaction environment?*

*Question 5: Are investors, stakeholders and regulators in public and private real estate markets yearning for greater valuation transparency?*

The Board was advised that the IVSC intended to publish this perspectives paper on LinkedIn in early July.

The Board was further advised that the perspectives paper would also be published in the IVSC July Enews.

The Board asked AA to speak to Richard Stokes to see if the perspectives paper could be published at an earlier date

### **Next steps**

AA to speak to Richard Stokes to see if the perspectives paper could be published at an earlier date

### **Technology in Valuation Working Group (2025.06.03. Draft Use of Technology in Valuation Perspectives Paper clean)**

*(Updates from meetings, intended changes to IVS, glossary adjustments, perspective paper status and AOB)*

The Board was advised that the IVSC SRB Technology in Valuation Working Group was quite large and had approximately 2/3's attendance for the monthly working group calls.

The Board was further advised that the working group had been around for approximately two years, and AF had only recently taken over as chair from Olivier Peronnet

The Board was also advised that the main focus of the working group was finalising the Use of Technology in Valuation perspectives paper.

The Board was informed that the working group had received a number of comments on previous drafts and made the appropriate revisions.

The Board was further informed that everyone had an opinion on the use of artificial intelligence in valuation, which made it quite difficult to finalise the perspectives paper and ensure it was fit for purpose.

The Board was also informed that the perspective paper described:

- How the IVSC perceives recent technology impacting valuations
- Opportunities and threats to valuations posed by these technologies
- How current IVS standards address the potential impact to valuations
- Potential areas for the IVSC to enhance its standards to further address these new technologies

The Board was advised that the perspective paper solicited feedback from stakeholders to understand future standard setting needs.

The Board was further advised that the paper highlighted IVS General Standards requirements in relation to the use of technology in valuation and in particular the requirements contained within IVS 104, IVS 105 and IVS 106.

The Board was also advised that the perspectives paper concluded that:

*“Although valuations conducted solely using AI, automated statistical models, machine learning, or deep learning are not currently compliant with IVS standards, these technologies offer valuers meaningful opportunities to enhance the valuation process. They can improve efficiency, expand data access, and support more robust analyses. However, their use also raises important questions about how valuers can consistently apply professional judgment and professional scepticism throughout the valuation, while effectively managing valuation risk, which IVS defines as “the possibility that the value is not appropriate for its intended use.””*

The Board discussed the perspectives paper in depth and agreed that it could proceed to publication.

AF also asked the Board whether they would be happy for them to invite James Moulton of the BVB to join the working group as he had particular skills in relation to the use of AI in valuation.

The Board confirmed that they were happy for James Moulton to join the working group.

The Board was advised that the working group was also discussing potential changes to the IVS General Standards, particularly in relation to disclosure of the use of technology in valuation.

The Board was further advised that the working group had suggested that text should be included in the scope of work so if the valuer had a broader intention to use technology in a valuation then it should be stated in the scope of work.

The Board noted that within IVS a valuer is not defined as a human, and this may need to be changed.

AF advised the Board that the working group would discuss this issue during their next meeting.

## **Next steps**

AA to send the perspectives paper to RS for publication. AA to invite James Moulton to join the working group.

### **Glossary Working Group (2025.06.05. IVS Glossary)**

*(Updates from meetings, intended changes to Glossary and SRB approval)*

MC advised that the IVSC SRB Glossary working Group had been meeting on a monthly basis.

MC further advised that as a general principle the IVSC SRB Glossary working group had agreed not to define clearly understood terms and further agreed not to tweak existing definitions unless absolutely necessary.

The Board discussed and provisionally agreed the following new and revised definitions:

#### **10.04 Business**

*An organisation or integrated collection of assets and/or liabilities engaged in commercial, industrial service or investment activity.*

#### **10.05 Business Interest**

*An ownership in whole or part of a business.*

#### **10.06 Credible**

*Worthy of belief.*

#### **10.08 Environmental, Social and Governance (ESG)**

*A framework for assessing and disclosing the impacts of environmental, social, and governance factors in the operation of an entity, asset or liability, which collectively may impact performance and value.*

#### **10.12 Financial Instrument**

*A financial instrument is a contract that can represent an asset to one party and equity or liability to another, which may include, but are not limited to debt, equity, commodity, currency and derivatives.*

*For the purposes of IVS a financial instrument does not include a business, business interest, intangible asset or tangible asset, all of which are separately defined in this glossary.*

### **10.20 Non-Financial Liability**

*Those liabilities requiring a non-cash performance obligation to provide goods or services.*

### **10.10 Quality Control**

*The process and procedures used to minimise risk to ensure the valuation is appropriate for its intended use.*

### **10.31 Sustainability**

*A broad concept encompassing the resilience of an entity, asset and or liability.*

### **10.32 Tangible Asset**

*A physical measurable asset such as, but not limited to, property, plant, equipment and infrastructure.*

The Board discussed the Asset Board related definitions such as business, business interest, financial instrument, non-financial liability and tangible asset and agreed that these definitions should be sent to the Asset Boards for consideration and review.

The Board was further advised that the IVSC SRB Glossary working were still awaiting the following definitions from the relevant working groups:

### **10.26 Review and Challenge**

*To be considered by the Valuation Risk Working Group.*

### **10.42 Value Uncertainty**

*To be defined by SRB Valuation Risk Working Group.*

### **Next steps**

AA to send the definitions of business, business interest, financial instrument, non-financial liability and tangible asset to the Asset Boards for consideration and review.

### **Valuation Risk Working Group (2025.06.03. Definition of Valuation Risk and Value Uncertainty Perspectives Paper\_v2 and 2025.05.30. IVSC Perspectives Paper Getting the Process Right Exploring-Valuation-Risk.pdf)**

*(Updates from meetings, intended changes to IVS, required glossary adjustments, perspective paper status and AOB)*

The Board was advised that the perspectives paper had recently been published, and the working group was awaiting feedback.

The Board was further advised that in conjunction with the glossary working group the following revised definition of valuation risk was proposed:

**Valuation Risk**

*The possibility that the **valuation** is not **credible or** appropriate for its intended use.*

The Board was also advised that the proposed revisions are shown in red,.

The Board discussed the use of the word credible and was advised that the use of this word helped align IVS with USPAP.

The Board noted that credible was defined in USPAP as “worthy of belief.”

The Board discussed alternative definitions such as “appropriate for its intended use” but further to discussion agreed to use the USPAP definition of credible.

The Board was advised that the second perspective paper in the series would discuss value uncertainty.

The Board was further advised that the purpose of the value uncertainty perspectives paper was as follows:

*“To enhance understanding and transparency of value uncertainty by clarifying its sources, implications (e.g., where is it more reasonable to see a wider range of possible values, when should valuers consider performing additional procedures) and provide illustrative examples along with a discussion on disclosure considerations. It should aim to support valuers and users of valuations in interpreting and communicating value uncertainty.”*

The Board was also advised that the value uncertainty perspectives paper would consider the following:

- *What are the sources of Valuation Uncertainty?*
- *What factors increase it?*
- *What are the implications of value uncertainty?*
- *When should valuers disclose valuation uncertainty?*
- *How should the valuer use scenario and sensitivity analysis to minimise value uncertainty?*



The Board discussed the need to define value uncertainty and whether a definition was required.

Further to discussion the Board agreed that the working group should try and define value uncertainty.

The Board was also advised that IVS 500 needed something to support the use of the “significant”, which is defined in IVS as *“any aspect of a valuation which, in the professional judgement of the valuer, greatly impacts the resultant value.”*

The Board further discussed “*value uncertainty*” and how this concept related to risk appetite and materiality.

The Board agreed that the main aim of the perspectives paper on value uncertainty should be to show valuers how to minimise value uncertainty where practicable.

The Board further agreed that the working group should draft the second perspectives paper in the series on valuation uncertainty.

### **Next steps**

Working group to draft the second perspectives paper in the series on value uncertainty.

## **IVS Exposure Draft**

### **Use of Management Inputs (Checklist Management Inputs Valuation and AS 2501 Auditing Accounting Estimates, Including Fair Value Measurements PCAOB)**

*(Proposed Revisions to IVS 104, introduction, potential changes to IVS, SRB approval as applicable and AOB)*

The Board discussed IVS 104 Data and Inputs and agreed that there should be a section within IVS 104 on the use of Management/Internal Data.

The Board noted that there was an inconsistent use of management data in valuations and additional standards in relation to this would help provide greater consistency and transparency across valuations.

The Board was advised that further to previous discussions a preliminary text had been drafted on the Use of Management/ Internal data.

The Board discussed the following preliminary draft text for the Use of Management/Internal Data:

*50. Use of Management/Internal Data*

*50.01 The valuer must determine if there is a suitable basis for all data or projections provided. This must include transparency into the ultimate source(s).*

*50.02 If projections are significant to the overall value, the valuer must apply professional judgement and professional scepticism in reviewing projections and consider the following:*

- a) Ability to fulfil expectations, financial or otherwise*
- b) Historic record of fulfilling stated intentions*
- c) Consistency with historic performance*
- d) Basis for significant shifts from historic performance*
- e) Whether the projections may be subject to manipulation, error, or bias*

*50.03 Management data and projections must be tested to the degree that it is possible. Testing may include but is not limited to the following, as applicable:*

- a) Review of independent analyst reports or forecasts if available*
- b) Benchmarking versus peer and/or industry trends*
- c) Consistency with historic data*
- d) Review of adjustments made to historic data*
- e) Testing severity of data provided to resultant value*

The Board questioned the focus on Management Data and considered that these requirements should relate to both Management and Client Data.

The Board discussed and reviewed the PCAOB requirements and the checklist for using management inputs in a valuation.

The Board was advised that in business valuation it was not always possible to verify the management inputs, but it was possible to assess the data.

The Board reviewed different examples of management data that could be received such as a luxury jeweller and noted that in some instance the valuer may need an expert to assess the data.

The Board noted that some companies have their own requirements in relation to management inputs.

Further to discussion the Board revised this section as follows:

### *30. Use of Management or Client Data*

*30.01 The valuer must assess if significant data and other information provided by the client, management or other interested parties is supportable and appropriate for intended use.*

*30.02 If any such data or other information is to be used as a significant input in the valuation, the valuer must apply professional scepticism and consider the potential for bias.*

### **Next steps**

The revised draft on the “*Use of Management or Client Data*” should be shared with the Boards for consideration and review.

### **Quality Control (2025.05.30. Quality Control and 2025.06.02. IVS General Standards Working Copy)**

*(Introduction, Goal - determine additions/locations within General Standards, Discussion)*

The Board was advised that as quality control related to every part of the valuation process (i.e. IVS 100 to IVS 106) the drafting subgroup comprising of AA and DS had initially drafted sections on quality control to be included in each chapter of IVS.

The Board discussed the following text in 20.02:

*20.02 The valuer must apply professional judgement to establish and follow quality controls, ensuring that they are:*

- a) Complete: valuations produce values that are sufficient to address attributes of the assets and/or liabilities,*
- b) Effective: successful in producing an IVS-compliant value,*
- c) Transparent: provide a record of the valuation and include sufficient information to describe the valuation conclusion reached, such that the valuer applying professional judgement is able to understand and review the valuation.*
- d) Objective: are performed objectively without bias,*
- e) Free from errors fully reflects the value.*

The Board considered the requirement to be “*free from error*” was impractical and though the valuer aimed to minimise error there would always be a degree of valuation uncertainty.

The Board was further advised that the BVB had provided a number of comments in relation to the proposed text and noted that there was some duplication particular in section 20.04 and 20.05, which stated:

*20.04 Quality controls should include a degree of review and challenge by a party different from the valuer when an asset or liability is subject to higher valuation risk or value uncertainty.*

*20.05 Review and challenge should be performed by a party different from the valuer to assess the reasonableness of the decisions made by the valuer throughout the valuation and compliance with IVS.*

The Board noted the proposed requirement under 20.04 that “*quality controls should include a degree of review and challenge by a party different from the valuer.*”

The Board considered this requirement and considered it to be impractical.

The Board also discussed bias and noted that reviews carried out by partners in a large firm or by individual valuers could include a degree of bias.

The Board also discussed review and challenge and whether the requirement was presumptively mandatory (i.e. should) or Mandatory (i.e. must).

Further to discussion the Board considered that any requirements in relation to quality control should refer to the degree of quality control required and should not refer to the quality control.

The Board considered that who carried out the quality control was not something that an overarching principle based standards should consider as this was more a matter for the VPO's and the firms.

Ther Board further considered that in many instances it may not be the valuer, who is carrying out the quality control.

The Board also noted that these requirements may vary across firms, specialisms and countries.

The Board discussed how quality control should be documented and noted that most firms have their own independent quality control and sign off.

The Board considered some of the requirements contained within the draft to be onerous and impractical.

AC commented that within International Standard on Quality Management (ISQM1) issued by the IAASB there was a specific section on the scalability within the standard, which would depend on a number of factors including the size of the engagement.

The Board discussed whether Quality Control should be separate chapter within IVS such as IVS 107 Quality Control.

The Board considered that the creation of a separate chapter would not only highlight the importance of quality control within the valuation process but would also help avoid repetition.

The Board noted that the requirements contained within this chapter should be general and the Board should be careful not to stray into guidance.

BG commented on the importance of quality control and stated that if the valuer does not carry out quality control then someone else, who may not have the necessary experience in valuation, will dictate to the valuer what they must do in relation to quality control.

AC advised that auditors adopt a risk-based approach and will expect there to be a quality control process to minimise the risk.

AC added that in many instances the auditor will go back to the preparer requesting further details on their quality control.

AC further added that for auditors the concept of scalability would be helpful.

The Board discussed the creation of a IVSC SRB Quality Control Working Group to draft this chapter.

The Board considered that it was important to have representatives from the Asset Boards within this working group to ensure that any quality control general standards worked for all specialisms.

Further to discussion it was agreed that AA should reach out to the following people to join IVSC SRB Quality Control working group:

AA, AC, BG, CM, DS, SD

### **Next steps**

AA to reach out to AC, BG, CM, DS, SD to join the IVSC SRB Quality Control working group and once confirmed to send invites for monthly meetings.

### **Approval of IVS changes**

*(QC and Glossary items)*

The Board noted that that they were not yet in a position to approve IVS changes as the drafting process was still ongoing.

The Board agreed to aim to approve the IVS Exposure Draft at the October physical meeting in Delhi.

### **Next steps**

SRB and Technical Board to approve revisions to the IVS Exposure Draft in the October physical meeting.

### **IVS Publication Timetable (2025.05.29. IVS Effective 31 January 2028 Publication Schedule)**

*(2025.05.29. IVS Effective 31 January 2028 Publication Schedule)*

The Board was advised that the planned publication and consultation dates for the IVS Exposure Draft and IVS (effective 31 January 2028) was as follows:

#### ***IVS Exposure Draft Publication Dates***

*IVS (effective 31 January 2028) Exposure Draft Publication Date (31 January 2026)*

*IVS (effective 31 January 2028) Exposure Draft Red Line Publication Date (31 January 2026)*

*IVS (effective 31 January 2028) Exposure Draft Basis off Conclusions Publication Date (31 January 2026)*

#### ***IVS Exposure Draft Consultation and Review of Comments***

*IVS (effective 31 January 2028) Exposure Draft Consultation (31 January 2026 to 30th April)*

*Review of Comments (1st May until 30th June)*

***IVS (effective 31 January 2028) Final Draft Dates***

*IVS (effective 31 January 2028) Final Draft (31 October 2025)*

*IVS (effective 31 January 2028) Final Draft Red Line (31 October 2025)*

*IVS (effective 31 January 2028) Final Draft Basis off Conclusions Completed (31 October 2025)*

***IVS (effective 31 January 2028) Publication Dates***

*IVS (effective 31 January 2028) Final (31 January 2027)*

*IVS (effective 31 January 2028) Final Red Line (31 January 2027)*

*IVS (effective 31 January 2028) Final Basis off Conclusions Completed (31 January 2027)*

The Board discussed the publication date and noted that there was quite a tight timeline to achieve these dates.

**Next steps**

SRB and Technical Board to finalise revisions to the IVS Exposure Draft in advance of the October physical meeting.

**Numbering and Layout of IVS Discussion**

*(Introduction, examples, identify needed changes (renumber titles etc.), discussion and next steps)*

The Board was advised that they have received a number of comments in relation to the layout and numbering of IVS.

The Board was further advised that the issue arose when there were multiple subsections within the Asset Standards.

The Board was also advised that IVS more or less adopted the same layout and numbering as IFRS.

The Board was informed that AA and Danuta Wojtowicz were currently in discussions with the publishers to see if the layout and numbering within IVS could be improved.

AA advised the Board that he would keep them informed of any proposed changes to the layout and numbering.

## **Next steps**

AA to keep the Board informed of any proposed changes to the layout and numbering.

## **Review**

### **Review of IVS Public Communications (2025.05.01. IVS Bylaws and IVSC Standards Review Board Due Process and Working Procedures and IVSC Standards Review Board Process and Working Procedures)**

The Board was advised that the IVSC had recently reviewed their communications to include position statements.

The Board was further advised that the current IVS public communications, which included the issue of Standards, were as follows:

- Perspective papers - inform standards
- FAQ - explain standards
- Issuing standards
- Agenda consultation
- Exposure Drafts
- Issuance of Standards
- Basis of conclusions
- Position Statements
- Comment letters and other

The Board was further advised that the IVSC would review the bylaws to ensure that they included all forms of communications.

## **Next steps**

IVSC Staff to review the bylaws to ensure all forms of public communication are included.

### ***Review of SRB Agenda Consultation Topics (Key Topics: ESG, Technology in Valuation, Valuation Risk. Current Topics (0-2 Years): Private vs Public Markets and Weighting of Inputs and Outputs. Future Topics (Beyond 2 Years): None)***

The Board reviewed the IVSC SRB Agenda Consultation topics and were advised as Follows:



## **Key Topics:**

**ESG:** IVS Glossary and IVS 104 Data and inputs Appendix were being revised to include sustainability. IVS SRB ESG and Sustainability working group due to issue IVSC ESG Survey later this year.

**Technology in Valuation:** Perspective paper on “Navigating the Rise of Artificial Intelligence in Valuation- Opportunities, Risks, and Standards” due to be published on LinkedIn in July and in the August Enews. The Board was further advised that this was the first in a series of perspectives papers and the working group were aiming to publish a further perspectives paper post the publication of the IVS Exposure Draft.

**Valuation Risk:** Perspective paper on “IVSC Perspectives Paper Getting the Process Right Exploring Valuation Risk” was published on LinkedIn in June and in the June Enews. The Board was further advised that this was the first in a series of perspectives papers and the working group were aiming to publish a further perspectives paper on Value Uncertainty post the publication of the IVS Exposure Draft.

## **Current Topics (0-2 Years):**

**Private vs Public Markets:** Perspective paper on “Mind the Gap- Exploring the difference between public and private markets” will be published on LinkedIn in July and in the July Enews. The Board was further advised that this was the first in a series of perspectives papers and the working group were aiming to publish a further perspectives paper on Governance related issues post the publication of the IVS Exposure Draft.

**Weighting of Inputs and Outputs:** The Board was advised that this issue was being discussed and may lead to some minor revisions within IVS 104 Data and Inputs. The Board was further advised that the Asset Board were also considering whether any further standards in relation to the weighting of outputs and inputs were required within the Asset Standards.

## **Next steps**

AA to keep the Board informed of any further progress made by the working groups in relation to drafting further perspectives papers.

**Review of IVS Working Groups (2025.05.28. IVSC SRB Working Groups List)**  
*(Possible New Working Groups, IVSC SRB Numbering and Layout Working Group and IVSC SRB IOSCO Working Group)*

The Board carried out a full review of the SRB working groups:

1. IVSC SRB ESG Working Group (Also ISSB)
2. IVSC SRB Valuation Risk Working Group
3. IVSC SRB Listed vs Unlisted Working Group
4. IVSC SRB Technology in Valuation Working Group
5. IVSC SRB Glossary Working Group

The Board Noted that further to previous discussions the IVSC SRB Quality Control working group should be added to this list.

**Next steps**

AA to add the IVSC SRB Quality Control working group to the IVSC SRB working group list.

## **Public Meeting**

**IVSC SRB Public Meeting**

*(IVSC SRB Prague Meeting Update, IVSC Asset Board Prague Meeting Update (BVB, FIB, TAB) and IVSC SRB Working Group Prague Meeting Update (ESG, Technology, Glossary, Valuation Risk))*

The Board held a public meeting, and the relevant chairs provided an update of the SRB, BVB, FIB and TAB Prague meetings.

The Board also discussed potential revisions to IVS including the Glossary, ESG and Sustainability and Quality Control.

The Board advised attendees of forthcoming IVSC Perspectives Papers.

The Board also advised attendees that the IVS Exposure Draft would go into consultation in Q1 2025.

**Next steps**

None.

## **Administration**

### **IVSC AGM Delhi (27th October 2025 – 29th October 2025)**

The Board was advised that the IVSC AGM was being held in Delhi between Monday 27<sup>th</sup> October and Wednesday 29<sup>th</sup> October.

The Board was further advised that the AGM would last one hour and would be held on the morning of the 29<sup>th</sup> October.

The Board was also advised that this would be followed by a valuation conference hosted by AaRVF and RICS.

The Board discussed the SRB and Asset Board meetings and considered that it would be ideal to have two extra days (i.e. Thursday and Friday) so the Asset Boards and SRB could meet for 2.5 days.

AA advised that he try and organise this but could not promise anything at this point in time as the IVSC were partly dependent on their hosts.

AA added that he would contact some of our member organisations to see if a meeting room could be provided for Thursday and Friday.

AA further added that he would provide further details at the next Board conference call on the 31<sup>st</sup> July.

### **Next steps**

AA to include the IVSC Delhi physical Board meetings as an agenda item for the next Board conference call on the 31<sup>st</sup> July.

### **Future Meetings (March - Mexico City (4th March 2026 – 6th March 2026) and June - Lisbon (17th June 2026 – 19th June 2026))**

The Board discussed and agreed the following dates of the IVSC SRB meeting in 2026:

- March 2026 - Mexico City: 4th March 2026 – 6th March 2026
- June 2026 – Lisbon: 17th June 2026 – 19th June 2026

**Next steps**

None.

**AOB**

There was no other business, so the chair thanked the Board for their attendance and closed the meeting.