

## **IVSC BVB June 2025 Meeting**

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

The Board met physically in **Prague, 9<sup>th</sup>-11<sup>th</sup> June 2025**.

### **STAFF PRESENT**

1. Nick Talbot (NT), CEO [partial attendance]
2. Nicolas Konialidis (NK), BVB Technical Director

### **BOARD MEMBERS PRESENT:**

Attendance of thirteen members

### **BOARD MEMBERS ABSENT :**

Two members.

### **AGENDA**

1. Welcome, updates, and administrative issues
2. IVSC update and Q&A by Nick Talbot
3. External Speaker 1:
  - Richard Goh, Singapore Tax Academy.
4. Discussion of forthcoming revision of IVS.
5. Discussion of ESG / Sustainability.
6. External Speaker 2:
  - Stefano Zambon, University of Ferrara, Italy.
7. Discussion: intangible assets
8. Artificial intelligence and technology in valuation update
9. Public Meeting
10. Conclusion and AOB

Common Abbreviations	
ACRA-IVAS	ACRA-Institute of Valuers and Appraisers Singapore
ASA	American Society of Appraisers
BV	Business Valuation
BVB	IVSC Business Valuation Board
CBVI	CBV Institute, formerly the Canadian Institute of Chartered Business Valuators
CFAI	CFA Institute
ED	Exposure Draft
ED IVS 28	Exposure Draft for forthcoming IVS revision (Effective January 2028)
ERP	Equity Risk Premium
ESG	Environmental, Social, and Governance factors
FASB	Financial Accounting Standards Board
FIB	IVSC Financial Instruments Board
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IRAS	Inland Revenue Authority of Singapore
IVS	IVS effective 31 January 2025 (unless specified otherwise)
LVPA	Luxembourg Valuation Professional Association
RICS	Royal Institution of Chartered Surveyors
SRB	IVSC Standards Review Board
TAB	IVSC Tangible Asset Board
TD	Technical Director of the BVB (unless specified otherwise)
VPO	Valuation Professional Organisation
WG	Working Group
Where appropriate, countries are mentioned using three letter codes specified in ISO 3166-1	

## **Monday 9<sup>th</sup> June 2025**

*All IVSC Boards were greeted by the Dean of the Prague University of Economics and Business.*

Start of proceedings at 09:39

1. **Welcome, updates, and administrative issues.**
  - a. **Welcome and member updates:**
    - i. The Chair welcomed the Board members and laid out the objectives for the two-and a half day Board meeting.
    - ii. The Chair welcomed the new Board members:
      1. James Moulton
      2. Sorin Petre
      3. Tomasz Wisniewski
      4. Ryan Tang (absent)
    - iii. The new members present introduced themselves. Veteran Board members greeted the new members and introduced themselves.
    - iv. Members involved in the preparation of perspective papers updated the Boards.
      1. Those members also requested that the Chair and TD ask the SRB for meeting times to be more accommodative of their time zones.
    - v. No decision was taken, nor any vote held on this topic
  - b. **Conflicts of Interest**
    - i. The TD asked attendees if they were aware of any conflict of interest arising from this meeting.
    - ii. No attendee reported any conflict of interest.
    - iii. No decision was taken, nor any vote held on this topic.
  - c. **Record of previous meeting notes.**
    - i. The TD asked attendees if they had any remarks on the notes of the previous BVB meeting that had been previously circulated.
    - ii. Board members present acknowledged they had received the notes.
    - iii. There were no comments on those notes.
  - d. Further action:
    - i. None.
    - ii. No decision was taken, nor any vote held on this topic.
2. **IVSC update and Q&A by Nick Talbot**
  - a. The Chair welcomed Nick Talbot (NT), the CEO of the IVSC.
  - b. NT gave an update of the main activities of the IVSC, including:

- i. NT advised that it was a pleasure to see so many BVB members at this meeting.
  - ii. NT further advised that Mustafa Elkaliouby had joined the IVSC as the new IVSC Middle East Director.
  - iii. NT also advised that the IVSC Investors Forum had continued to expand with new constituents from the US, Middle East and potentially Australia.
  - iv. NT added that the IVSC had been engaging with IOSCO, who see valuation as a key area of focus for financial markets.
  - v. 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. The organisation develops, implements and promotes adherence to internationally recognized standards for financial markets regulation and work closely with other international organizations on the global regulatory reform agenda. IOSCO members collectively regulate more than 95% of the world's securities markets in more than 130 jurisdictions.
  - vi. NT further advised that IOSCO have made several recommendations to IVSC as part of the ongoing collaboration between the two organisations.
  - vii. The Board was provided with a summary of the recommendations.
  - viii. The Board generally discussed the recommendations and advised NT that the Board would provide NT with their thoughts in due course.
- c. NT fielded questions from Board members.
- i. BVB members asked NT about the relationship between the IVSC and two principal financial reporting standard setters – IASB and FASB.
  - ii. NT elaborated on the ongoing dialogue with the IASB. He referenced the recent response of the IVSC to FASB's Invitation to Comment on the *Recognition of Intangible [Assets]*. He also stated that several IVSC Board members and stakeholders interact with FASB. NT invited the BVB members from the USA to further increase the visibility of IVSC in the USA and assured them of the IVSC's willingness to deploy resources in this important jurisdiction.
  - iii. The Board members generally discussed the interaction between valuation standards and financial reporting standards and the interaction between the IVSC and stakeholders of the latter community.
  - iv. NT and BV members discussed the preponderance of use of valuations in the context of Financial Reporting (FR), relative to other uses.
    - 1. Other intended uses of valuations tend to be highly idiosyncratic whereas FR tends to be quite unified by virtue of widespread adoption of IFRS and congruence with US GAAP and enjoy statutory recognition.
    - 2. There was recognition, however, that other intended uses of valuations, such as litigation support, tax or transactions, were important applications of the IVS.

- v. There was general agreement that the promotion of IVS is linked to the promotion of professionalism and the implementation of technical and professional standards in each jurisdiction, as happens in the accounting and audit professions through organisations like IFAC.
  - vi. A Board member asked whether any initiative was undertaken towards reinforcing the relationship of the IVSC with the Indian Ministry of Corporate Affairs. NT assured the Board that India continues to be an important jurisdiction for the IVSC with a profusion of stakeholders. NT reminded attendees that the next IVSC AGM and Board meetings would be held in New Delhi in October 2025.
  - vii. In concluding, NT advised that there would be further developments and collaboration between IVSC and IOSCO.
  - d. Further action:
    - i. None.
  - e. No decision was taken, nor any vote held on this topic.
3. **External Speaker 1 – Richard Goh, Singapore Tax Academy.**
- a. The Chair welcomed Richard Goh.
    - i. Richard Goh is the Master Tax Specialist at IRAS and the Curriculum Development Specialist at the Tax Academy of Singapore.
    - ii. Richard reminded attendees that he was speaking in his personal capacity, and not in the name of IRAS.
  - b. Richard Goh's presentation was entitled *Creating a Bridge between International Valuation Standards and Valuation Practices for Tax and Transfer Pricing*.
    - i. The presentation explored:
      - 1. The evolving role of IA valuation for tax and transfer pricing
      - 2. Common pitfalls and valuation risk from a regulatory perspective
      - 3. How the International Valuation Standards (IVS) can support greater alignment, consistency, and audit defensibility in tax and TP related valuations
  - c. Richard Goh emphasised that no single discipline could supply all the answers.
    - i. While Valuation experts understand value, they sometimes require the expertise of Transfer Pricing professionals.
    - ii. Tax and TP professionals excel in tax compliance but could benefit from engaging with valuers for additional valuation rigour.
    - iii. Richard Goh emphasised the need for stakeholders to work together to deliver conclusions that are robust, defensible, and commercially sound.
    - iv. Richard Goh indicated that awareness of IVS and its application remain limited among tax and TP stakeholders. OECD transfer pricing guidelines recognize that valuation techniques can be useful tools for transfer

pricing, but do not offer guidance on how to apply in a TP context, which could be an area of future efforts by IVSC.

- v. Richard Goh reminded the audience that stakeholders are held to different standards: taxpayers, valuers, tax and TP practitioners, regulators, and even courts may often look at Intangible Assets valuation through different lenses.
  - vi. in his view, established valuation standards like IVS helps build a shared language.
  - vii. Richard Goh concluded by stating that valuation risk is not someone else's problem: Poorly substantiated assumptions or fragmented documentation can unravel years of effort in an audit or dispute. He stressed that a coordinated approach reduces blind spots and strengthens credibility.
- d. Further action:
- i. IVSC BV Board to continue engagement efforts with OECD and transfer pricing professionals on valuation topics.
- e. No decision was taken, nor any vote held on this topic.

#### 4. **Discussion of forthcoming revision of IVS.**

- a. The afternoon session started at 1320.
- b. The TD framed the working session of the Board by discussing several possible avenues for changes to be included in the Exposure Draft ("ED IVS 28").
  - i. Possible changes include a revision of the numbering nomenclature, of pagination and presentation.
  - ii. Consideration of the amalgamation of two or more BV asset standards.
  - iii. Several clarifications of passages that could be construed as confusing.
  - iv. The insertion of passages reflecting evolution in practice and changes in applicable standards and regulations.
- c. The TD stated that during his outreach efforts towards the valuation community, he had received reminders from stakeholders that the IVS are used for diverse intended uses.
- d. The Board discussed several options for the amalgamation of asset standards. These included:
  - i. Keeping the existing structure (IVS 200, IVS 210, IVS 220 & IVS 230) unchanged.
  - ii. Keeping IVS 200 and IVS 210 as separate, while amalgamating IVS 220 and IVS 230 into IVS 200.
  - iii. Creating an overarching preamble and merging IVS 200, IVS 220 and IVS 230 while keeping IVS 210 separate.
- e. Several Board members suggested that the upcoming revision of the assets should reflect the evolution of certain valuation practices and the increased

focus on valuation of Private Equity and other private assets in the context of Financial Reporting.

- i. The Board generally agreed that *a priori*, a case could be made for including the following items in the Standards:
  - 1. Calibration,
  - 2. Scenario-Based [valuation] methods and
  - 3. valuation of debt.
- ii. There was a recognition that any such changes would imply seeking input from other asset Boards because of the adjacency of these topics with existing or potential topics covered in other parts of the IVS.
- f. The BVB was further advised that IVS 210 Intangible Assets were referenced by a diverse set of stakeholders and so should be kept as a separate chapter.
  - i. The Board considered feedback from certain stakeholders advocating for the inclusion of more detailed technical guidance in the application of valuation techniques.
  - ii. A consensus emerged to retain the IVS 210 as a standalone standard.
- g. Board members agreed that some of the asset standards are relevant to other asset Boards, such as Inventories to the TAB.
- h. Further action:
  - i. The TD undertook to finetune the document he had already provided to the BV Board.
  - ii. Two Board members will write and circulate proposed text to be inserted concerning Calibration, Scenario-Based [valuation] methods and on the valuation of debt.
  - iii. The BV Board entrusted the Chair and the TD to convey its views to the SRB.
- i. No decision was taken, nor any vote held on this topic.

## **Tuesday 10<sup>th</sup> June**

### **5. Discussion of ESG / Sustainability.**

- a. The Board discussed the issue of ESG and Sustainability, since The International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards clearly state that the companies must disclose any impact on cashflows and future risks. Hence, this topic is one to keep in view.
- b. Members contributed accounts of the evolution of ESG policies in their national and regional markets and jurisdictions.
  - i. For instance, the Board acknowledged that there was pressure for the implementation of certain provisions of the EU Corporate Sustainability Reporting Directive (CSRD) to be delayed. The CSRD requires companies to report on the impact of corporate activities on the environment and society.

- ii. The Board also acknowledged that in the United States both policy choices from the executive branch and certain opinions emanating from appellate courts have resulted in less attention on matters of sustainability.
- iii. In Canada, the timeline for mandatory adoption of the ISSB standards has been pushed back for some companies. The Canadian Sustainability Standards Board (CSSB) has released draft standards aligned with ISSB, but they are currently voluntary.
- iv. In Hong Kong, the implementation of sustainability standards will be mandatory from 2026 for listed companies.
- c. Board members noted that in their professional practices, they still see sustainability due diligence being conducted in the context of investments and transactions.
- d. A consensus emerged that the IVS currently are adequate in their provisions for ESG factors in the valuation process.
- e. Further action:
  - i. None.
- f. No decision was taken, nor any vote held on this topic.

6. **External Speaker 2: Stefano Zambon.**

- a. The Chair welcomed Stefano Zambon.
- b. Professor Zambon is a Full Professor of Business Economics, University of Ferrara. He is the Secretary General, WICI (World Intellectual Capital Initiative) Italy (O.I.B.R. – Italian Foundation for Business Reporting). He is the author of numerous papers.
- c. Professor Zambon's presentation was entitled *Latest Trends in Intangibles Measurement and Disclosure*.
- d. Professor Zambon discussed:
  - i. Why Intangibles and Their Reporting Are Important
  - ii. The Problem with Information on Intangibles, and the general underrepresentation of intangibles in general purpose financial reports.
  - iii. International Initiatives. The WICI Contribution.
    - 1. Professor Zambon remarked on the active role of IVSC in the WICI and in the broader community.
    - 2. Professor Zambon advocated for an integrated concept of "business sustainability" that would link
      - a. the business model,
      - b. knowledge and intellectual capital, and
      - c. natural and societal capital.



iv. Strategic Intangibles Initiative (SII): Aims, Membership, and Expected Outcomes:

1. Professor Zambon stated that SII is an open, innovative, inclusive and WICI-convened Discussion Forum amongst organizations that have a direct interest in this field and that have already been working in this subject area, which embraces financial, sustainability, and integrated reporting
2. Accordingly, there are two aims pursued:
  - a. The primary aim is to foster awareness and communication amongst the relevant players widely conceived through a multi-lateral exchange of information
  - b. A second aim is to see whether some convergence patterns on selected areas/topics could be identified as well as some possible shared solutions

v. Concluding Remarks

1. In his concluding remarks, professor Zambon reiterated that:
  - a. Company intangibles are today the fundamental drivers of its growth in the medium-long term and its creation of value from the perspective of sustainable development
  - b. A relevant problem often underestimated in the field of sustainability is that of knowing and analysing the intangible resources on which the creation of sustainable value is based, to govern these resources in an era of digital transformation
  - c. The creation of value needs to «walk on the legs» of corporate information ☐ «what can be measured, get managed»
  - d. Need for new information tools and measures, which accompany the financial reporting, to govern in an aware and analytical way the sustainable development of companies and their creation of value.
- e. Professor Zambon fielded questions from Board members on the topic of intangible assets and participated in a general discussion on this topic.
  - i. Professor Zambon reiterated his invitation for stakeholders to be active in the SII.
- f. Further action:
  - i. None
- g. No other decision was taken, nor any vote held on this topic.

7. **Discussion: Intangible Assets**

- a. The Board acknowledged that the IVSC had responded to the FASB's "Invitation to Comment" on "*The Recognition of Intangibles*" which closed on 31 May 2025.
- b. The Board discussed the recent initiative undertaken by several VPOs, all of whom are members of the IVSC, to issue a new draft guide titled *Intangible Asset Valuation Guidelines* (the "Guide") to assist practitioners in valuing all types of intangible assets, particularly intellectual property (IP).
- c. The VPOs comprise:
  - i. Chartered Business Valuators Institute (CBV Institute),
  - ii. Institute of Valuers and Appraisers, Singapore (IVAS),
  - iii. American Society of Appraisers (ASA), and
  - iv. Royal Institution of Chartered Surveyors (RICS),
- d. The initiative stems from the observation that intangible assets including intellectual property, account for increasingly larger portions of enterprise value for companies globally, and a desire to provide practical guidance on IA valuation, particularly the valuation of IP, which is garnering much attention from policymakers, and especially in Singapore.
- e. Overall, the Guide applies to valuation of intangible assets for all purposes including licensing, investment or financing decisions, financial reporting, and taxation.
- f. The Guide references IVS and has been developed to supplement existing those standards by offering best practice guidance that supports consistent and trusted valuation practices.
- g. To ensure the Guide is clear, and aligned with current global best practices, the VPOs are publishing the Guide in draft form and seeking stakeholder comments, including from valuation practitioners, investors, IP legal practitioners, regulators, lenders and academics
- h. The public consultation period for the Guide will close on 12 September 2025.
- i. The Board noted that during the IVSC's recent public consultation, stakeholders generally agreed that Intangible Assets remain an important topic.
- j. Next steps:
  - i. None
- k. No other decision was taken, nor any vote held on this topic.

### **Wednesday 11<sup>th</sup> June 2025**

#### **8. Artificial intelligence and technology in valuation update**

- a. A Board member currently employed by a global professional services firm delivered an update to the Board about Artificial Intelligence & Tech in Valuation.

- b. According to that member, IVS still adequately cover the foundational principles and the need for valuers to oversee the use of technology and AI if it will be relied upon as part of a valuation conclusion.
- c. The Board discussed whether the wording in the Standards needs to be more specific as to what is considered best practice when using these tools, especially AI.
- d. There was agreement that the issue of AI impacts on professionalism and training future valuers, and the future of the BV profession.
- e. One Board member posited that the IVS language is not specific enough on AI, agentic AI especially, as AI agents begin to make decisions within the valuation process. This suggests that valuers might not know if they are following the “right” process.
- f. The Board member stated that his employer is currently working on developing agents to collect market and industry research, then uses another agent to analyze the information and another agent to correspond with client and generate the information request list. Over time, this will replace a significant portion of valuation analysts’ roles.
- g. The Board discussed whether the IVS should prescribe a certain level of human involvement at each stage of the valuation process.
- h. The Board considered whether should the portion of the IVS on “AVM” and valuer responsibility should be broadened from just AVM to mention “agentic AI” and other technologies.
- i. There was general agreement that the Board should continue to monitor these developments and work with the other IVS Boards to ensure that the IVS remain current and relevant at a time of rapid change.
- j. Next steps:
  - i. None
- k. No other decision was taken, nor any vote held on this topic.

## 9. **Public Meeting**

- a. The BVB conducted a Public Meeting.
- b. All BVB members introduced themselves to the audience.
- c. BVB members summarised the discussions of the Board.
- d. The BVB updated the audience on the initiatives around intangible assets, including interaction with financial reporting standard setters.
- e. Members gave accounts of the initiatives the Board is involved in, including the working groups on ESG, valuation risk.
- f. Members relayed the main points of the presentations by external speakers.
- g. The BVB emphasised that its future work would focus on the preparation of the exposure draft in view of the revision of the IVS.

- h. The meeting was virtually attended by approximately forty individual stakeholders.
- i. Next steps:
  - i. None
- j. No other decision was taken, nor any vote held on this topic.

10. **Conclusion and AOB**

- a. The BVB discussed logistics for the upcoming physical Board meeting, IVSC AGM and Conference in New Delhi in October 2025.
- b. The BVB discussed other possible venues for Board meetings in 2026.
- c. There was no other business to discuss.
- d. Next steps:
  - i. The TD will liaise with IVSC staff and other individuals in India to facilitate logistics for the upcoming meeting in New Delhi.
- e. No other decision was taken, nor any vote held on this topic.

END OF MEETING