

# IVSC TAB Delhi Meeting Update October 2025

The Board met in person on the 27<sup>th</sup> and 28<sup>th</sup> October 2025. The topics in order of discussion were:

## Administration

- Administration. Welcome and Attendance
- IVSC TAB Meeting Update May 2025  
(*IVSC TAB Meeting Update September 2025 Final*)
- Review of Agenda  
(*2025.10.15. IVSC - Delhi TAB Meeting - Agenda Final*)
- IVSC CEO Update

## IVS General Standards

(*2025.10.17. IVS General Standards Working Copy*)

- Glossary Working Group  
(*2025.10.17. IVS Glossary clean and with track changes*)
- Use of AI  
(*2025.10.17. Proposed additions to IVS General Standards re the Use of AI clean and with track changes*)
- Quality Control  
(*2025.10.17. Draft IVS 107 Quality Control Working Draft*)
- IVS 104 Data and Inputs
  - *Use of Management or Client Data*
- IVS 104 Data and Inputs Appendix
  - *ESG and Sustainability*
- Valuation Risk
  - *Discuss any changes that may impact TAB.*
- IVS 230 Inventory  
(*2025.10.15 IVS 2028 - BV Standards All V3.4 - NK - Junior and Master*)
  - Discuss any changes that may impact TAB.
  - Discussion and comments to the SRB

## IVS Tangible Asset Standards

- IVS 300 Plant Equipment and Infrastructure  
(*2025.10.15. IVS 300 clean and 2025.10.15. IVS 300 with track changes*)
  - Review of proposed changes
  - Approval of proposed changes
- IVS 400 Real Property Interests  
(*2025.10.28. IVS 400 clean and 2025.10.28. IVS 400 with track changes*)
  - Review of proposed changes
  - Approval of proposed changes

## **Other Topics**

### **Eminent Domain and Compulsory Purchase**

- Discussion re Eminent Domain and Compulsory Purchase Requirements
- Asian Development Bank

### **Hypzert and PEI**

- Hypzert and PEI  
*(IVSC TAB PEI Valuation Lux Hennig final)*
  - Presentation
  - Discussion
  - Next Steps

### **Insurance Valuation**

- Insurance Valuation  
*(Topic introduction and TAQEEM Article Insurance RCAs Buildings)*
  - Presentation
  - Discussion
  - Next Steps

### **Trade Related Property**

- Trade Related Property  
*(2025.09.23. Draft Operational Real Assets Brief clean)*
  - Discussion
  - Next Steps

### **Personal Property (Art and Antiques)**

- Personal Property (Art and Antiques)
  - Discussion
  - Next Steps

### **Biological Assets and Plantations**

- Biological Assets and Plantations
  - Next Steps

## **Working Groups and Forums**

### **IVSC TAB Working Groups Discussion and Updates**

- IVSC TAB Working Groups Discussion and Updates
  1. IVSC TAB IVS 400 and IVS 410 Working Group (ongoing)
  2. IVSC TAB AI Working Group (sabbatical)
  3. IVSC TAB Inspection Working Group (sabbatical)

4. *IVSC TAB Valuation Review Working Group (sabbatical)*
5. *IVSC TAB Trade Related Property Working Group (ongoing)*
6. *IVSC TAB Insurance Working Group (to discuss creating)*
  - Review
  - Reinstating and Creating
  - Next Steps

#### **IVSC SRB Working Groups and Perspectives Papers Update**

- IVSC SRB Working Groups and Perspectives Papers Update
  1. *IVSC SRB ESG Working Group*
  2. *IVSC SRB Valuation Risk Working Group*
  3. *IVSC SRB Listed vs Unlisted Working Group*
  4. *IVSC SRB Valuation in Technology Working Group*
  5. *IVSC SRB Glossary Working Group*
  6. *IVSC SRB Quality Control WG*
  7. *Financial Reporting Project Group*
    - Review
    - Next Steps

#### **AOB**

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

# **Administration**

## **Administration. Welcome and Attendance**

KH welcomed the Board and thanked them for attendance both physically and virtually.

## **IVSC TAB Meeting Update September 2025 (IVSC TAB Meeting Update September 2025 Final)**

The Board reviewed the IVSC meeting update 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 TAB.

## **Next steps**

None.

## **Review of Agenda (2025.10.15. IVSC - Delhi TAB Meeting - Agenda Final)**

The Board discussed the Agenda for the next two days.

The Board advised the Board that the TAB would be attending the Advisory Forum from 10:45 to 12:30 on Tuesday 28<sup>th</sup> October to participate in the following presentations:

- *Modern Valuation: Data, AI, and the Future of Fair Value*
- *The Investor Perspective: Trust, Transparency, and the Future of Valuation in Private Markets*
- *Ensuring Quality in Valuation: Challenges and Best Practice*

The Board was further advised that the Gala dinner was being held on the evening of the 28<sup>th</sup> October 2025.

## **IVSC CEO Update**

The Board was advised that the IVSC was in ongoing discussions with the International Organization of Securities Commissions (IOSCO).

The Board was further advised that IOSCO represented over 95% of the world's security markets.

The Board was also advised that IOSCO had played a key part in the recognition and adoption of IFRS, which was recognised in over 131 jurisdictions.

The Board was informed that over the past few months IOSCO had requested the following:

- A report comparing IVSC and the IVS to the IASB, IAASB and the IFRS,
- A round table discussion on the 23<sup>rd</sup> September chaired by Jean Paul Servais (IOSCO chair) and Lim Hwee Hua (IVSC Trustees Chair).
- Public statement from the IOSCO Board on the importance of IVS, which is due to be published in the next few weeks.

The Board was further informed that in addition to IOSCO, the chairs of the International Forum of Independent Audit Regulators (IFIAR), International Accounting Standards Board (IASB) and the International Audit and Accounting Standards Board (IAASB) and Mauro Bini and the CEO of a public listed company, had also attended the round table.

The Board was also informed that at the round table there was broad agreement on the importance of valuations for accurate financial reporting.

The Board was advised that the IVSC was planning for IVS to include an additional section on financial reporting.

The Board was further advised that this was a key project, which would likely have an impact on the following organisations:

- IOSCO, IFIAR, IASB, IAASB, FASB and the PCAOB.

The Board was also advised that this was a key project that would have an impact on valuers, financial preparers and auditors.

The Board was informed that there were underlying issues between valuers and auditors, both of whom needed a better understanding of the others role and the basis on which IFRS valuations are provided.

The Board was further informed that the IVSC would try and prepare some contents that would help both financial statement preparers and auditors.

The Board was further informed that the IVSC were aware that IVS applied to valuation for all purposes and in future in order to keep the balance in IVS may (with emphasis) issue sections for further purposes such on an as needs basis.

The Board was also informed that this project had gained a lot of attention from VPO's and IVSC would try and bring everyone together.

The Board was advised IVSC had set up a IVSC Financial Reporting Project Group (FRPG), who were currently working on the initial brief.

The Board was further advised that the FRPG would keep the Board update on progress and Board members input would be required in due course.

### **Next steps**

FRPG to keep the Board informed of progress.

## **IVS General Standards**

*(2025.10.17. IVS General Standards Working Copy)*

### **Glossary Working Group (2025.10.17. IVS Glossary clean and with track changes)**

The Board reviewed the revised Glossary and proposed minor revisions to the following definitions;

- *Environmental, Social and Governance, Intended Use, Liquidation Value, Professional Judgement, Quality Control, Sustainability, Valuation Process Review and Valuation Review.*

### **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to the Glossary.

### **Use of AI (2025.10.17. Proposed additions to IVS General Standards re the Use of AI clean and with track changes)**

The Board reviewed the proposed additions to IVS General Standards re the Use of AI and proposed minor revisions to the following sections:

- *IVS 101 Scope of Work para 20.07*
- *IVS 104 Data and Inputs para 10.05*
- *IVS 105 Valuation Models paras 10.07 and 10.08*
- *IVS 106 Documentation and Reporting paras 20.03 and 30.06*

### **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to the IVS General Standards on the Use of AI clean.

### **Quality Control (2025.10.17. Draft IVS 107 Quality Control Working Draft)**

The Board reviewed IVS 107 and proposed minor revisions to the following sections:

- 10. Introduction: Paras 10.03, 10.04 and 10.06
- 20. Implementation: Paras 20.01, 20.04, 20.05 and 20.06

### **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to IVS 107 Quality Controls.

### **IVS 104 Data and Inputs (Use of Management or Client Data)**

The Board reviewed IVS 104 and section 30 re the Use of Management or Client Data and suggested that this section should be call Use of Data.

The Board had no further comments in relation to this section.

### **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to IVS 104 Data and Inputs.

### **IVS 104 Data and Inputs Appendix (ESG and Sustainability)**

The Board reviewed IVS 104 Appendix and section 30 and were in accordance with the proposed changes.

### **Next steps**

None.

### **Valuation Risk (*Discuss any changes that may impact TAB*)**

The Board reviewed the proposed additions to IVS General Standards re valuation risk and proposed minor revisions to the following sections:

- *IVS Glossary – definition of valuation risk*
- *IVS 103 Valuation Approaches para 10.06*
- *IVS 106 Documentation and Reporting paras 20.07*

### **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to the IVS in relation to valuation risk.

### **IVS 230 Inventory (2025.10.15 IVS 2028 - BV Standards All V3.4 - NK - Junior and Master)**

The Board did not have sufficient time to review the proposed changes to IVS 230 Inventory. This will be carried over to a later meeting.

### **Next steps**

None.

## **IVS Tangible Asset Standards**

### **IVS 300 Plant Equipment and Infrastructure (2025.10.15. IVS 300 clean and 2025.10.15. IVS 300 with track changes)**

The Board reviewed IVS 300 and made minor revisions to paras within the following sections:

- *Table of contents*
- *Section 40 Scope of Work*
- *Section 90 Cost Approach*
- *Section 120 Documentation and Reporting*

Further to these revisions the Board had no further comments in relation to IVS 300.



## **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to IVS 300 Plant, Equipment and Infrastructure and to seek preliminary publication approval.

### **IVS 400 Real Property Interests (2025.10.28. IVS 400 clean and 2025.10.28. IVS 400 with track changes)**

The Board reviewed IVS 400 and made minor revisions to paras within the following sections:

- *Table of contents*
- *Introduction*
- *Section 40 Scope of Work*
- *Section 50 Bases of Value*
- *Section 60 Valuation Approaches*
- *Section 70 Market Approach*
- *Section 80 Income Approach*
- *Section 90 Cost Approach*
- *Section 100 Data and Inputs*
- *Section 120 Documentation and Reporting*
- *Section 130 Special Considerations for Development Property*

Further to these revisions the Board had no further comments in relation to IVS 400.

## **Next steps**

KH and AA to advise the SRB of the Boards proposed revisions to IVS 400 Real Property Interests and to seek preliminary publication approval.

## **Other Topics**

### **Eminent Domain and Compulsory Purchase**

BE advised that MV is often the basis for compensation.

BE further advised that many proposed schemes lack transparency and as a result there is potential for fraud.

BE also advised that there currently is a misalignment between national policies within Asia and World Bank policy.

BE asked whether the TAB could provide a webinar or a perspectives paper outlining best practice for compulsory purchase and expropriation.

BE advised that some compulsory purchase schemes are extremely large for the local market and gave the example of Nepal where 2,000 houses were due to be demolished for an expropriation scheme.

BE further advised that the law required each house to be valued separately.

BE also advised that some of the requirements for compulsory purchase were outside the requirements of MV.

BE added that in many countries compulsory includes compensation for livelihood (aka solatium) and an additional payment for hardship.

KH advised that in Australia this payment can't be more than 10%, whereas in other countries this payment can be more than 100%.

BE further added that compulsory purchase can include safeguards, which are outside the valuer's skillset such as cultural heritage value, which includes religious values etc.

BE also added that compensation for agricultural land also caused an issue as the compensation for the land was often insufficient for the claimant to purchase an equivalent agricultural holding.

BE advised that in these circumstances the compensation required was greater than the market value.

BE noted that though much of the compensation claim went beyond the valuers typical skillset.

BE added that under current regulations there was still a question as to whether the valuer was sufficiently competent to do this.

BE further added that the valuer was still the best person to do this as there was no one else with similar skills.

BE suggested that the TAB could publish a perspective paper highlighting the issues.

The Board discussed the creating of an IVSC TAB Compulsory Purchase working group that could include members of the World Bank (WB), Asian Development Bank (ADB) and the International Property Tax Institute (IPTI).

BE advised that the ADB had reached out to the IVSC for assistance on this matter as the ADB was looking to recommend IVS for all valuations.

The Board discussed the eminent domain and compulsory purchase valuations and noted that this was a future topic (*beyond two years*) within the agenda consultation.

Further to discussion the following TAB members volunteered to join the IVSC TAB Compulsory Purchase working group:

AA, BE, KH, MG, MK, PW and SKD.

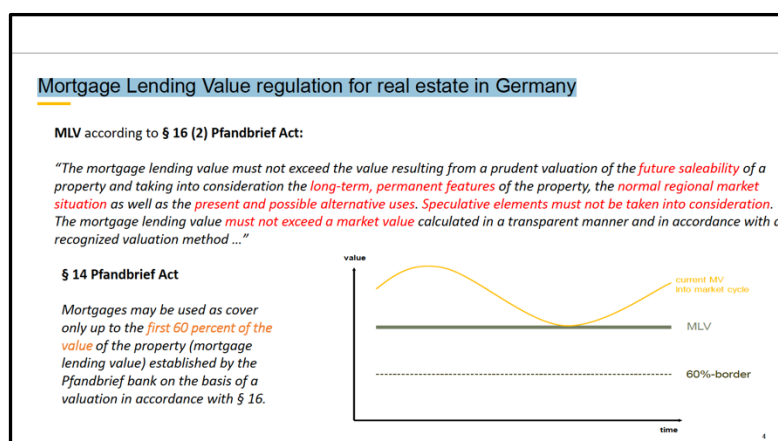
## Next steps

AA to set up monthly meetings for the IVSC TAB Compulsory Purchase working group and to send calendar invites.

## Hypzert and PEI

DH and RL Provided a presentation on Hypzert and PEI.

The Board was advised of the following information in relation to Mortgage Lending Value regulation for real estate in Germany:



The Board was further advised with the following information in relation to Mortgage Lending Value –General Provisions:

- *Careful assessment of future marketability of property*
- *Identification and elimination of speculative elements and economically induced fluctuations in value*
- *Reflection of normal and local market conditions*
- *primarily based on long-term, sustainable aspects*
- *Assessment of current use and (if possible) of alternative appropriate uses*

The Board was also advised of the following definitions for Market Value, Property Value and Mortgage Lending Value:

Definitions		
Market Value	Property Value	Mortgage Lending Value
'market value' means, for the purposes of immovable property, the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion	(b) the value is appraised using prudently conservative valuation criteria which meet all of the following requirements: (i) the value excludes expectations on price increases; (ii) the value is adjusted to take into account the potential for the current market price to be significantly above the value that would be sustainable over the life of the loan; (c) the value is documented in a transparent and clear manner; (d) the value is not higher than a market value for the immovable property where such market value can be determined;..."	'mortgage lending value' means the value of immovable property as determined by a prudent assessment of the future marketability of the property taking into account long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property


The Board was informed of the following in relation to Mortgage Lending Value regulation in Germany:

Mortgage Lending Value regulation for real estate in Germany	
<ul style="list-style-type: none"> <li>• Mortgage lending value is an established concept in the financing market. It offers high security to the financing institutions and an advantageous interest rate to the debtor</li> <li>• Objective is to adopt the concept to certain plant and machinery assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Do we take the "Basic Principles" into account valuing PEI? → yes</li> <li>• Do we express it in valuing and reporting? → partially!</li> </ul>

The Board was further informed of the following in relation to the HypZert expert group for "Plant and machinery":

Hyp Zert expert group "Plant and machinery"

- The Hyp Zert expert group „Valuation of Plant and machinery “ works on all of those topics
- Group consists of experts already certified for MLV of real estate, experts from financial institutions, valuation experts acting in different markets
- A study letter will be ready latest at the next AGM




- It focuses on the main topics
  - Technical terms
  - Market developments and trends
  - Definitions and legal framework
  - Valuation
  - Data sheets

The Board was also informed of the following next steps in relation to determining MLV for PEI:

A direction to determine mortgage lending value for PEI

Outlook

- The **consideration of basic principles** in PEI valuations is common practice
- Identification and elimination of **speculative elements** and economically induced fluctuations in value need clear guidance and **parameters**
- The **study letter** can be a first step to support secured finance
- The **legal landscape** does not consider PEI (except certain groups) yet



## Next steps

DH and RL to keep the Board informed of any future developments in relation to the integration of PEI within MLV.

## **Insurance Valuation (Topic introduction and TAQEEM Article Insurance RCAs Buildings)**

PW presented on Insurance Valuation.

The Board was advised that:

*“Valuations were required for a variety of purposes including allocation of purchase price; bankruptcy; condemnation; dissolutions of marriage, partnerships, and corporations; financing; insurance; leasing; management considerations; mergers and acquisitions; partnership formation and dissolution; transfer of ownership; various types of taxation and tax planning; and utility rate making.”*

The Board was further advised that:

*"In as much as the client helps define the purpose of the valuation and its intended use, from an insurance perspective the purpose will typically have been set, as dictated by the terms of the relevant insurance policy. Valuers should be cognisant with the terms of the policy in defining their scope of work. This will inform the valuer's selection of a basis of value, together with the choice of appropriate method(s) of valuation suitable for the intended use of the valuation."*

The Board was also advised of the following in relation to the importance of the Insurance market:

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**The Importance of the Insurance Market**

Globally, trillions of riyals (or British pounds) worth of assets are risk assessed and insured (or re-insured) on an annual basis.

- Saudi Arabia – currently, a series of mega-projects and giga-projects, under the Public Investment Fund (PIF) umbrella, which is driving real estate sector activity.
- Vision 2030 (Regional Financial Capital / Tourism) plans - major real estate driven construction (re)development projects, in addition to existing stock.
- Insurance – assets risk assessed and insured (or re-insured) annually, based on their insurable value.
- Stakeholder Trust – important that proper care is applied to the valuation process to ensure stakeholder trust is upheld.



RUSHTON  
INTERNATIONAL

The Board was informed that guidance is necessary for the following reasons:

*Reasons?*

- *The RICS current position is, at least in part, likely due to the fact that it not solely a VPO with a focus on valuation. It includes other categories of surveyors across its faculties, such as Quantity Surveyors and Building Surveyors.*
- *These surveyors, as cost consultants, have skillsets more closely aligned to estimating reinstatement costs*
- *Due to their costing backgrounds and grasp of building pathology.*
- *With larger surveying firms traditionally, set up on the UK model, having departments outside of valuations that handle this.*

- *Note though, that the RICS, in its annual recertification programme for RICS registered valuers, currently counts valuations for Insurance as a valuation category.*

*Takeaway:*

- *The current position can be confusing for valuers – so, it is best to seek clarity from your local Valuation Professional Organisation.*
- *Key considerations (1) the competency to undertake the valuation. (2) whether you are allowed to undertake it by your local VPO and / or relevant regulator.*

The Board was further informed that inconsistencies in the bases and methodologies adopted in the assessment of assets which can cause material inaccuracies in value and the resulting impacts.

- *Over-insurance - the insured party pays excessive premiums.*
- *Under-insurance - insufficient cover for the insured party in the event of a loss.*
- *Both scenarios have a negative impact on the insured party and implications for stakeholder trust.*

The Board was also informed that ASA defined Insurable Value as follows:

*Insurable value is defined as “the value of that portion of a property covered by insurance in accordance with the terms of the insurance policy or other agreements” (American Society of Appraisers)*

The Board was advised that Insurance appraisals or valuations are required to establish a value for insurance coverage to indemnify the insured against loss.

The Board was further advised that valuers should be cognisant with the insurance policy in defining their scope of work. This will inform the valuer’s selection of a basis of value, together with the choice of appropriate method(s) of valuation suitable for the intended use of the valuation, and the associated underpinning assumptions.

The Board was also advised that valuer considerations for insurance valuations included the following:

- *Inclusions and Exclusions – explicitly defined, as aligned with the policy, to avoid asset over-valuation (potential over-insurance) or under-valuation (potential under-insurance).*
- *Overlap Assets – what constitutes buildings / building services and what constitutes process machinery and equipment?*

- *Double counting – when not clearly defined in the Scope of Work. Case of different valuers / firms with specific asset valuation responsibilities (e.g., Buildings versus Machinery and Equipment). Potential for over-insurance.*
- *Taxation – clarity on whether this is included or excluded from the cost assessment.*
- *ESG / Sustainability – Saudi rebuilding requirements and building ‘green rating’ standards and codes (MOSTADAM commercial and residential; Saudi Building Code (SBC) and the Saudi Green Building Code (SGBC).*
- *Inflationary allowance – generally excluded from the valuation analysis but may be required to advise on it.*
- *Likely Reinstatement period – considerations, in addition to the standard rebuild period, include potential restrictions around site accessibility, the permissible clearance of deleterious materials, heritage assets conservation legislation and archaeological requirements.*

The Board was advised of the following summary of valuer considerations:

- *Ensure the assets(s) is properly researched as part of the investigative process.*
- *Assemble the required data to be used as inputs in the cost assessment.*
- *Investigate the legal and planning requirements applicable to the assets – and the potential impact on replacement cost.*
- *Investigate the extent to which changes to building sustainability legislation in the pipeline may impact the asset’s reinstatement.*
- *Knowledge of building pathology – the asset’s architectural style and elements of construction – and estimation and costing.*
- *Acknowledge your limits – engage a specialist / service organisation as needed – to ensure compliance with TAQEEM and the IVS competency requirements for valuers.*

The Board discussed the inconsistency of Insurance Valuation further and noted that this was a future topic (*beyond two years*) within the agenda consultation.

Further to discussion the following TAB members volunteered to join the IVSC TAB Insurance working group:

PW (chair) AA, KH, MG, MK and KTH.



## Next steps

AA to set up monthly meetings for the IVSC TAB Insurance working group and to send calendar invites.

### **Trade Related Property (2025.09.23. Draft Operational Real Assets Brief clean)**

The Board was advised that the IVSC TAB Trade Related Property working group had met several times and was working on a brief.

The Board was further advised that the working group had proposed two definitions for an Operational Real Asset, and was yet to decide on the final make-up of this

***Operational Real Asset:*** Any type of real asset that has been designed or adapted for a specific use, and for which the value of the tangible interest is intrinsically linked to the income generating potential.

**OR**

***Operational Real Asset:*** Any type of real asset that has been designed or adapted for a specific use, and for which the value of the real asset interest is intrinsically linked to the returns that an owner can generate with reference to the trading potential.

The Board was also advised that the working group had noted the following types of trade related property:

- 1) Own trade related property and rent it.
- 2) If there is no lease in place the valuer has to consider the trading potential.

The Board was informed that the working group had agreed that the potential perspectives paper was only concerned with real assets where there was no lease and the valuer was considering the trading potential for their valuation.

The Board was further informed that the working group had noted that there were the following types of Operational Real Interest:

*Such as, but not limited to: Advertising hoardings/billboards, Care Facilities, Casino, Cemetery, Co-living, Convention Centre, Crematorium, Data Centres, Entertainment Park, Exhibition Centre/Mice Facilities, Hotels, International Schools, Life Science, Museum, Night Clubs, Private Clubs, Private Hospitals, Pubs, Purpose Built Student Accommodation, Restaurants, Senior Living, Serviced Offices, Sports Academies and Facilities, Stadiums, Toll Roads, Wellness and Convention Centre and Wind Farms.*

The Board was also informed of the following difference between a Property and an Operational Real Asset:

- *Lack of observable inputs and transactions so often valued on an income based approach.*
- *Valuation assumes hypothetical management costs (i.e. average) with reference to actual management costs, whereas a business valuer would consider the actual management costs.*
- *Often monovalent use (not physically suitable for any use other than the one intended)*
- *Common facilities often required*
- *Require specialist architectural design*
- *Shared services as part of the management agreement*
- *Fixtures often include specialist P & M*
- *Planning, zoning and licensing requirements in most markets*
- *Often in hub locations*
- *Value largely based on income*

The Board was advised that the next meeting of the IVSC TAB Trade Related Property working group was on the 25<sup>th</sup> November 2025.

The Board was further advised that the working group would keep them informed of progress.

### **Next steps**

AA to keep the Board advised of any progress made by the IVSC TAB Trade Related Property working group.

### **Personal Property (Art and Antiques)**

The Board was advised that Ellen Epstein (EE) had contacted KH and AA in relation to concerns over the lack of standards for the valuation of personal property within the IVS Asset Standards.

The Board was further advised that the valuation of personal property was a future topic (*beyond two years*) within the agenda consultation.

The Board was informed that KH and AA had a catch up call with EE on Monday 1<sup>st</sup> September and were awaiting further feedback on the proposed additions IVS for the valuation of personal property.

### **Next steps**

KH and AA to keep the Board advised of any progress made or any feedback received on the valuation of personal property.

### **Biological Assets and Plantations**

The Board discussed the valuation of biological assets and plantations.

The Board was advised that the valuation of agricultural and plantation land and biological assets was a future topic (*beyond two years*) within the agenda consultation.

The Board noted that biological assets included the following assets:

- Land
- Farm
- Animals
- Trees

The Board further noted that both IAS Bearer Plants in IAS 16 and IAS 41 included requirements in relation to biological assets.

The Board also noted that there was no defined approach or method for the valuation of these assets and the valuation of these assets was normally carried out on a Fair Value Basis with reference to selling costs.

The Board was informed that this was a complex area of valuation that would require the assistance of specialists in this asset class.

The Board was further informed that many of these assets included unique buildings that went with the land.

The Board was also informed that most valuations of biological assets applied the Income Approach.

ER advised that he had some standards on the valuation of Biological Assets, which he could share with the Board.

The Board discussed the creation of an IVSC TAB Agricultural working group to review potential revisions to the tangible asset standards in relation to the valuation of agricultural land.

The Board noted that this working group would need to include external specialist.

The Board further noted that their main focus was currently revisions to the IVS Tangible Asset standards.

The Board agreed to discuss this topic further during the next IVSC TAB conference call.

### **Next steps**

ER to share standard on the valuation of biological assets. AA to include *“Biological Assets and Plantations”* as an agenda item within the next IVSC TAB conference call.

## **Working Groups and Forums**

### **IVSC TAB Working Groups Discussion and Updates**

#### **1. IVSC TAB IVS 400 and IVS 410 Working Group**

The Board was advised that the working group had met regularly and had been working on revisions to IVS 400 Real Property Interests.

The Board was further advised that the next meeting of the working group was on Wednesday 26<sup>th</sup> November.

The Board was also advised that the working group was focussed on finalising revisions to IVS 400 post comments received from the Board and SRB post the Delhi meeting and in advance of the next TAB conference call on Wednesday 10<sup>th</sup> December.

### **Next steps**

Working group to finalise revisions to IVS 400 Real Property Interests in advance of the next TAB conference call on Wednesday 10<sup>th</sup> December.

## **2. IVSC TAB AI Working Group**

The Board was advised that the working group was currently on sabbatical.

The Board agreed to keep the working group on sabbatical until the IVS Exposure Draft goes into consultation.

### **Next steps**

Working group to reactivated post publication of the IVS Exposure Draft.

## **3. IVSC TAB Inspection Working Group**

The Board was advised that the working group was currently on sabbatical.

The Board agreed to keep the working group on sabbatical until the IVS Exposure Draft goes into consultation.

### **Next steps**

Working group to reactivated post publication of the IVS Exposure Draft.

## **4. IVSC TAB Valuation Review Working Group**

The Board was advised that the working group was currently on sabbatical.

The Board agreed to keep the working group on sabbatical until the IVS Exposure Draft goes into consultation.

### **Next steps**

Working group to reactivated post publication of the IVS Exposure Draft.

## **5. IVSC TAB Trade Related Property Working Group**

The Board was advised that the next meeting of the IVSC TAB Trade Related Property working group was on the 25<sup>th</sup> November 2025.

The Board was further advised that the working group would keep them informed of progress.

### **Next steps**

AA to keep the Board advised of any progress made by the IVSC TAB Trade Related Property working group.

### **6. IVSC TAB Insurance Working Group**

The Board agreed to set up an IVSC TAB Insurance working group.

The following members of the TAB volunteered to join the IVSC TAB Insurance working group:

PW (chair) AA, KH, MG, MK and KTH.

### **Next steps**

AA to set up monthly meetings for the IVSC TAB Insurance working group and to send calendar invites.

### **IVSC SRB Working Groups and Perspectives Papers Update**

#### **1. IVSC SRB ESG Working Group**

The Board was advised that the working group had been focussed on drafting a definition of sustainability to incorporate within the IVS Glossary.

The Board was further advised that the working group had also been focussed on revising IVS 104 Data and Inputs Appendix to incorporate sustainability

The Board was also advised that the working group had been focussed on finalising the IVSC Sustainability and ESG Survey.

The Board was informed that the IVSC Sustainability and ESG Survey would go into consultation in December 2025.

### **Next steps**

AA to advise the Board when the IVSC Sustainability and ESG survey goes into consultation.

## **2. IVSC SRB Valuation Risk Working Group**

The Board was advised that further to the publication of the first perspectives paper in the series titled *"2025.05.30. IVSC Perspectives Paper Getting the Process Right: Exploring Valuation Risk"* the working group was focussed on drafting the second perspectives paper in the series.

The Board was further advised that the second perspective paper in the series was on value uncertainty.

The Board was also advised that the second perspective paper in the series was in the latter stages of drafting and would be published during Q2 2026.

### **Next steps**

AA to keep the Board informed of progress.

## **3. IVSC SRB Listed vs Unlisted Working Group**

The Board was advised that further to the publication of the first perspectives paper in the series titled *"Mind the Gap- Exploring the difference between public and private markets"* the working group was focussed on drafting the second perspectives paper in the series.

The Board was further advised that the second perspective paper in the series was on valuation governance and regulation.

The Board was also advised that the second perspective paper in the series was in the early stages of drafting and would be published during Q2/Q3 2026.

### **Next steps**

AA to keep the Board informed of progress.

## **4. IVSC SRB Valuation in Technology Working Group**

The Board was advised that further to the publication of the first perspectives paper in the series titled *"Navigating the Rise of Artificial Intelligence in Valuation- Opportunities, Risks, and Standards"* the working group was focussed on drafting revisions to IVS.

The Board was further advised that the working group was focussed on revisions to the IVS General Standards to incorporate *“any significant proposed use of artificial intelligence or other technology based tools and resources that employ opaque or non-transparent logic, where the decision pathways and underlying rationale cannot be readily explained or verified by the valuer during the valuation.”*

### **Next steps**

AA to keep the Board informed of progress.

## **5. IVSC SRB Glossary Working Group**

The Board was advised that the IVS Glossary working Group had been focussed on revisions to the following definitions within the IVS Glossary:

*ESG, Intangible Asset, Liability, Significant, Professional Judgement, Professional; Scepticism, Valuation Process Review, Valuation Review and Valuation Risk.*

The Board was further advised that the IVS Glossary working Group had also been focussed on drafting the following new definitions to be incorporated within the IVS Glossary:

*Business, Financial Instrument, Non-Financial Liability, Quality Control and Sustainability.*

The Board was also advised that the working group was focussed on drafting revisions to the IVS Glossary.

### **Next steps**

AA to keep the Board informed of progress.

## **6. IVSC SRB Quality Control WG**

The Board was advised that the working group was focussed on drafting a new chapter titled IVS 107 Quality Control to be incorporated within the IVS Exposure Draft.



The Board was further advised that the working group had made good progress and was close to finalising this chapter.

### **Next steps**

AA to keep the Board informed of progress.

## **7. Financial Reporting Project Group**

The Board was advised that following engagement between the International Valuation Standards Council (IVSC) and the International Organization of Securities Commissions (IOSCO), IOSCO Committee 1 made the following recommendation:

*"...the IVSC should consider the need of refining the IVSs to better align how the requirements of its standards can be better satisfied in the context of producing financial statement information. Strengthening the link between IVSs and IFRS Accounting Standards could lead to further positioning the IVSs for wider international adoption."*

The Board was further advised that in response to the aforementioned recommendation, the IVSC established a Financial Reporting Project Group (FRPG) to address the matters raised by IOSCO.

The Board was also advised that the FRPG comprises the following members:

*Alexander Aronsohn, Alex Cheung, Kumar Dasgupta, Mary Barth, and Susan DuRoss.*

The Board was informed that the FRPG was in the preliminary stages of drafting a scope of work.

### **AOB**

MG raised concerns in relation to the following 60.06 para within IVS 210 Intangible Assets on the excess earning method:

*60.06 The excess earnings method estimates the value of an intangible asset as*

*the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets required to generate the cash flows (“contributory assets”). It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets, and goodwill.*

MG added that this section seemed to lack emphasis on the necessity to incorporate the valuation of tangible assets.

Further to discussion it was agreed that MG should review the latest version of the BV standards and draft an email highlighting any concerns in relation to IVS 210 and the excess earning method.

KH advised that the following members of the TAB had come to the end of their term and thanked them for their service:

BG, ER, LS, MK and SKD.

KH asked if there was any other business and as there was no other business KH closed the meeting.

### **Next steps**

MG to draft an email highlighting any concerns in relation to the revised IVS 210 Intangible Assets and the excess earning method.