

IVSC Technical Work Plan December 2011

Both the IVSC Standards Board and the IVSC Professional Board are involved in the IVSC Technical Work Plan. The responsibilities of each Board are defined as follows:

1. The Standards Board is responsible for the development, monitoring, review and amendment of the International Valuation Standards (IVS) and is responsible for setting the technical agenda necessary to achieve this.
2. The Professional Board has responsibility for developing guidance and other information to assist in the application of the IVS.
3. The Professional Board is also responsible for projects directed at developing the worldwide valuation profession.

Many projects potentially involve either the creation or amendment of a standard and associated guidance material. Although one of the Boards is allocated prime responsibility for a project, there is close collaboration between the two Boards on most projects.

The IVSC has a policy to continually consider how existing standards or other pronouncements may be improved and welcomes suggestions from valuation providers and users.

All projects are evaluated and progressed in accordance with the procedures set out in [IVSC Due Process](#).

Any questions on the Technical Work Plan can be addressed to the IVSC Technical Director, email ivsc@ivsc.org

	Project	Reason	Deliverable	Start Date	End Date	Lead Board	Current Position
	Trade Related Property	Proposed standard 232 not approved because of need to clarify objective and reconsider status of IVSC's pronouncements on this subject.	Discussion Paper to examine issues and seek views on extent of standards or guidance required	June 2011	Q4 2012	SB	Project Brief agreed. Applications for Working Group membership invited. Fresh approach made to major institutes for nominations.
	Uncertainty	Need for workable solutions in response to request by FSB for better disclosure of uncertainty.	Guidance and possible standards amendment.	August 2009	Q3 2012	SB	Work Group established late October. Although additional financial instrument expertise still sought.
	Discounted Cash Flow	Update of existing guidance in GN9	Technical Information Paper	June 2010	Q4 2011	PB	Following consideration of comments made on Exposure Draft and during review by Board at November meeting, paper now being prepared for final Board approval.
	Cost Approach	Update of existing guidance in GN8	Possible change to Standards. Technical Information Paper	June 2010	Q4 2011	PB	Following consideration of comments made on Exposure Draft and during review by Board at November meeting, paper now being prepared for final Board approval.
	Contributory Asset Contributions (Intangible Assets)	Adapting Appraisal Foundation guidance for US for international application	Technical Information Paper	Nov 2010	Q2 2012	PB	Discussions with Appraisal Foundation on most appropriate form of comment by IVSC.
	Valuer/Auditor guidance Joint project with IAASB	Need for improved mutual understanding of role of internal and external valuation experts and of auditors role in checking valuations in statements	Guidance on Valuer's role in audit process.	Sep 2010	Q3 2012	PB	Working Draft considered by Board. Further work required before ready for release as an Exposure Draft.
	Code of Ethical Principles	To identify key elements of ethical conduct in valuation and promote adoption.	To establish principles of Conduct for professional valuers	Mar 2010	Q4 2011	PB	Revised Code approved by Board at November meeting. Publication due early December.
	Professional Valuer	To promote awareness of valuation profession and attributes of a professional valuer.	Identifying characteristics of professional valuer	Mar 2010	Q2 2012	PB	Exposure Draft approved by Board for release late November.
	Fairness Opinions	Evidence of diversity in practice in different states and world regions, notwithstanding different regulatory regimes	Code of practice or guidance.	Jan 2011	Q2 2012	PB	Exposure Draft close to finalisation and circulation to Board for approval.

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	Intangible Assets	Update of existing guidance issued in Feb 2010 to reflect changes in IVS.	Technical Information Paper	Jan 2011	Q4 2011	PB	Revised GN4 approved by Board subject to final review of examples. Publication anticipated January 2012.
	Customer Relationships	Joint project with The Appraisal Foundation (US) to develop technical guidance.	Possible Technical Information Paper if IVSC publishes its own version.	Oct 2010	Q4 2012	PB	Working draft received from TAF. Discussions to take place on IVSC input.
	Control Premiums	Joint project with The Appraisal Foundation (US) to develop technical guidance.	Possible Technical Information Paper if IVSC publishes its own version.	Oct 2010	Q2 2013	PB	Awaiting confirmation of progress from TAF working group.
	OTC Instruments Valuation methods	A lack of understanding or acceptance of methods developed to value different types of instruments adversely affect investor confidence and market efficiency.	Technical Information Paper. Possible Standards update.	Jun 10	Q3 2012	SB	Working Group established October 2011. Still seeking some additional representation from buy side organisations.
	Extractive Industries.	Concerns expressed by exchange regulators, especially in Asia, at diversity of valuation practice IPOs in sector. Also possibility that IASB may require valuation in any future revision of IFRS	Discussion Paper. Responses to this will guide further deliverables	Oct 2010	Q4 2012	SB	Working group formed October 2011 although further industry representation is being sought.
	Specialist Government Property	Lack of consistency in valuation of public infrastructure assets.	Technical Information Paper	Mar 2011	Q4 2012	PB	Initial comments on scope of project received from working group.
	Credit / Debit Valuation Adjustments	There is diversity in the identification of counter party risk in valuing OTC derivatives and methods used to reflect risk.	Technical Information Paper Possible new standard	June 10	Q3 2012	PB	Working Group formed.
	Forestry	Evidence of inconsistency in the valuation of forestry assets under IAS 41.	Discussion Paper. Responses to this will guide further deliverables	Oct 2010	Q3 2012	SB	Working Group formed and preliminary comments reported to Board
	Liabilities	Increasing need to value liabilities other than financial instruments or leases in financial statements is revealing diversity of valuation approaches	Discussion Paper. Responses to this will guide further deliverables	Oct 2010	Q4 2012	SB	Limited response to call for Working Group. Applications still invited, particularly from practitioners outside USA.

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	Illustrative Examples	There is a need to develop practical illustrations of principles in IVS to different situations to aid understanding and application.	It is anticipated that this will be a rolling project. Date indicates probable publication of first set of examples	Jun 11	Q3 2012	PB	Working Group formed. Meeting held with IASB project team to discuss coordination with its "Education Materials" project. IASB agreed proposals in October. There will be mutual representation on respective groups. Project plan prepared.
	Glossary	To provide glossary of commonly used valuation terms to promote consistency of use and interpretation internationally	Glossary to be maintained on IVSC web site	Jun 2010	Q3 2011	Joint	Glossary is to be maintained on web site and periodically reviewed by Boards. There will be facility for comments on specific definitions.
	Investment Property	Investment Property is a major asset class that has own IFRS reporting standard and where issues not covered by general real property standard need to be addressed	Possible new Standard and TIP	Nov 11	Q1 2013	SB	Project approved by Board in November. Project brief under preparation and Working Group to be formed.

Projects Under Consideration

	Project	Reason	Deliverable	Start Date	End Date		Current Position
	Use of third party information	Possible concern over inconsistent approaches to reliance on information provided by others, eg another expert or client.	Guidance				To be considered by Boards at meetings in March 2012.
	Liquidity Premia	Financial crisis revealed significant diversity of approach to adjustments made to certain financial instruments to reflect loss of liquidity.					Financial Instruments Expert Group has produced two internal papers providing academic overview. Consideration being given as to whether this topic warrants IVSC guidance
	Investment Company Portfolios	New regulations under EU AIFM Directive and IOSCO project on valuations of Collective Investment Schemes likely to create demand for standards / guidance					Liaison with IOSCO and ESMA on timing of the regulators' projects and required scope of any supporting material from IVSC.