



The World Bank

CHARLES A. MCDONOUGH
Vice President and Controller

August 3, 2010

International Valuation Standards Board
41 Moorgate
London, EC2R 6PP
United Kingdom

Dear Sir / Madam,

Exposure Draft: Proposed New International Valuation Standards

The World Bank appreciates the opportunity to comment on the IVSC's exposure draft, *Proposed New International Valuation Standards*.

Our key comment is that while we believe the IVSB has outlined broad principles in valuation, we find the overall usefulness of the standards limited from the perspective of valuing financial instruments. We believe that unless the standards can be more targeted and specific, their practical application will be limited.

We would like to share two observations on how the standards could evolve and ultimately prove helpful for investors in and issuers of financial instruments.

First, we believe that the market could benefit from a set of guiding principles and best practices. We also think that the IVSB could play the central role in consolidating the same. The World Bank is willing to offer the IVSB assistance in this regard.

Second, we think that ultimately, the standards should encompass the following elements in order to have practical use, with regard to the valuation of financial instruments.

- 1) Basic criteria for market data
- 2) Instrument specific guidance
- 3) Market specific guidance
- 4) Guidance on how to use the market data

5) Specific model constructs

6) Continuous review

We appreciate the opportunity to provide you with our views. Please do not hesitate to contact us if you have questions or require clarification.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. McDonough', with a long horizontal line extending to the right.

Charles A. McDonough
Vice President and Controller