

**Comments to the proposed new exposure draft of  
International Valuation Standards.**

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**GENERAL QUESTIONS**

1. Do you find the new structure of the Standards to be logical and easy to follow? If not, what alternative would you propose?

Yes, the new structure of the Standards is indeed logical and easy to follow.

2. Do you consider that the combination of background information and specific directions to be helpful? Would you prefer all background information and explanatory information on asset classes to be removed from the standards so that only the specific directions applicable to each application or asset type remained?

The present set up combining the background information and specific directions are most helpful.

3. Which delivery method for the new edition of the standards are you or your organization likely to use? Hardcopy or downloadable from the website?

Although the loss of revenue from sale of hard copy will result when the Standards will be made available for downloading from IVSC website, the benefit of providing an easy access for users/stakeholders outweighs the said loss of revenue. Publishing in hard copy and making it available for downloading is a good idea.

**IVS 101- GENERAL CONCEPTS AND PRINCIPLES**

4. Do you consider that this objective of explaining concepts and principles throughout the standards has been met? Do you consider that there are any additional valuation concepts and principles that should be considered and discussed in this standard?

The discussion on market activity and market participants are enlightening. The objective to explain the concepts and principles has been adequately met.

5. The word valuation can be used with two distinct meanings – one, with reference to the process of estimating value or two, to the valuation result itself. Are you in agreement with this approach or

would you prefer the word “valuation” either not to be used at all or always used with qualifying words to indicate the intended meaning, for example “valuation process” or “valuation result”?

The preference to use the term “valuation” with a qualifying word is more appropriate.

## IVS 102- VALUATION APPROACHES

6. Do you agree that these three approaches encompass all methods used in the assets or liabilities that you value? If not, please describe what approaches you feel have been omitted.

We agree that all approaches encompass all methods.

7. Do you agree with the proposed hierarchy of approaches giving preference to direct market comparison approach and do you consider it helpful? If not explain if you would prefer to see no reference to a hierarchy or would prefer an alternative hierarchy.

The proposed hierarchy of approaches giving preference to direct market comparison approach where there are observable prices for similar assets available at the valuation date is indeed very helpful guidance.

8. Do you find the change of terminology from ‘Sales Comparison Approach’ to Direct Market Comparison Approach’ to be helpful? If not please explain what alternative you would prefer and why.

We agree with the proposed change.

## IVS103 - BASES OF VALUE

9. Do you agree with the proposed change to the definition? If not indicate what alternative you prefer and why.

Yes, we agree.

10. Do you agree with this proposed change? If not, please explain why and what you believe the distinction is between investment value to a prospective purchaser and special value to a prospective buyer who can realize that special value to be?

We agree with the proposed change.

11. Do you support the continued use of the term “Investment Value” or would you prefer an alternative? If so, what would that alternative be?

We agree.

12. Do you agree with the approach taken in IVS? If not, explain why not and give examples where you believe the highest and best use may be different from the market value.

We do agree with the approach taken in IVS.

13. Do you consider this proposed change in the definition to be helpful? If not, please indicate how you believe it could be improved.

The proposed change is helpful; awaiting IASB final change in the definition of fair value in IFRS.

#### IVS 104 - SCOPE OF WORK

14. Do you:

- a) Agree with the inclusion of a standard for scope of work in IVS?
- b) That the minimum contents identified in the draft are proportionate and represent a realistic minimum standard? If you disagree, please explain why.

We agree.

#### IVS 105- VALUATION REPORTING

15. Do you agree with the changes that have been made? If not, please explain what provisions of the current IVS3 you believe should be carried forward into the new standard.

Yes, we agree.

#### APPLICATION STANDARDS

16. Which view do you support? If you consider that future IVS should contain application standards, do you consider that the degree of detail of those in the draft is appropriate and help the better understanding of the valuation requirements?

We support the view that the future IVS should contain application standards and that the fundamental principles of valuation should remain unchanged regardless of the purpose.

17. There are opposing views as to the extent and how IVS should address valuation issues under IFRS.

View (a) is that IVS should not refer to valuations under IFRS at all because the IASB is in the process of producing its own fair value standard and it is said that limited references to the accounting requirements under IFRS can be misleading and lead to misinterpretation.

View (b) is that valuation measurements under IFRS are intended to reflect market reality and are not a special type of valuation reserved for financial statements. Supporters of this view believe that limited references to IFRS are necessary to help those who are valuers rather than accounting experts understand the required criteria and assumptions.

17. Which of these views do you support?

We support the view (b) that valuation measurements under IFRS are intended to reflect market reality and are not a special type of valuation reserved for financial statements.

#### ASSET STANDARDS

18. Do you have any other comments on the general structure of the Asset Standards?

We have no further comments on the general structure of the Asset Standards?

19. Do you consider that a class of “personal property” can be identified that is not already covered by the proposed new asset standards? If so, do you consider that it has distinct characteristics that need to be considered in valuations that would benefit from a new IVS asset standard being developed?

A project on “valuation of antiques and fine arts” has been announced as being developed. We looked forward for its publication.

20. Do you agree that a standard on valuing non financial liabilities is required and what topics should it cover?

We agree.

21. Please identify any additional types of asset or liability that you believe should be considered for future inclusion in IVS, together with an indication of the benefits that you consider a new standard would bring.

We look forward for future inclusion of a “valuation of infrastructure assets”.