



THE APPRAISAL FOUNDATION
*Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications*

APPRAISAL STANDARDS BOARD

TO: IVSC Standards Board
International Valuation Standards Council

FROM: Barry J. Shea, Chair
Appraisal Standards Board

RE: Structure and Scope of the International Valuation Standards

DATE: October 9, 2014

On behalf of the Appraisal Standards Board (ASB) of The Appraisal Foundation, I thank you for the opportunity to comment on your Structure and Scope of the International Valuation Standards Consultation Paper.

Several members of the ASB have reviewed the Consultation Paper and our observations are listed below. These comments are presented in light of our commitment to work toward a convergence of standards.

As part of that commitment to work toward convergence, the ASB offers the following comments:

Re: Structure and Scope of the International Valuation Standards: Consultation Paper

1. General Comments from the ASB regarding the current structure of IVS:
 - a. The framework, which includes 5 types or levels of pronouncements, is quite complex and this may lead to confusion among practitioners and users of valuation services.
 - b. There is not a clear enough distinction between requirements (what a valuer must do) and guidance (what a valuer should do in specific situations).
2. ASB Responses to questions posed in the Consultation:
 - a. Question 1 – We agree with answer a; in fact the concept put forth in answer b (required guidance?) is somewhat confusing.
 - b. Question 2 – We prefer answer b, over answer a. However, would prefer to have an explanation of what is meant by “having regard to” guidance material.
 - c. Question 3a – We agree with answer a (yes).

- d. Question 3b - The ASB currently has no opinion on this question.
- e. Question 3c – We think that the TIPS should be considered guidance and examples of best practices, but not necessarily requirements. We believe that compliance with standards should be requirements and that guidance should be guidance (not necessarily mandatory). Thus, TIPS should be something other than standards.
- f. Question 4 – Yes.
- g. Question 5 – No; the standards upon which you suggest modeling IVS are standards for other professions. If you are going to look for examples for valuation standards you should be looking at other valuation standards, such as USPAP.
- h. Question 6 – No. There are too many levels of pronouncements and there is not a clear differentiation between which pronouncements are requirements and which are guidance.
- i. Question 7 – Yes.

If I can be of any assistance, please do not hesitate to ask.

Respectfully submitted,

Barry J. Shea
Chair, Appraisal Standards Board