



# International Professional Standards (IPSs) Frequently Asked Questions (FAQs)

## About the IVSC

### 1. What is the International Valuation Standards Council (IVSC)?

The IVSC is an independent, not-for-profit, private sector organisation that serves the public interest by strengthening the worldwide valuation profession through the development and enhancement of standards.

### 2. What does the IVSC do?

The IVSC's mission is to establish and maintain effective, high-quality international valuation and professional standards, and to contribute to the development of the global valuation profession, thereby serving the global public interest.

### 3. Who comprises the IVSC?

The organisation has three main Boards:

- a Board of Trustees responsible for the strategic direction and funding of the IVSC and for appointments to the Standards Board and Professional Board,
- a Standards Board with autonomy over its agenda and the creation and revision of International Valuation Standards and supporting technical guidance, and
- a Professional Board responsible for the development of International Professional Standards and promoting the development of the profession around the world.

The IVSC is a membership organisation and is open to a wide range of stakeholders including professional institutes, valuation providers, standard setters, regulators and academia. The IVSC's Advisory Forum provides members with the opportunity for contributing to the work of the IVSC and advising the Boards on agenda priorities.



#### 4. What is the IVSC Professional Board?

The Professional Board is an independent board under the umbrella of the IVSC whose role is to protect the public interest by encouraging high quality practices by professional valuers, promoting strong ethical values, and supporting the development of all sectors of the profession around the world.

It aims to achieve this by identifying topics for which the development of international professional standards and guidance is beneficial, by encouraging and fostering the development of professional bodies and associations where none exist at present and by working with existing professional bodies to identify matters where it is mutually beneficial for those bodies to collaborate and pool their resources in order to be part of a stronger and more effective profession.

The Professional Board consists of a chair, deputy chair and seven members. All are volunteers from around the world, drawn from a variety of valuation disciplines. Members of the Professional Board are appointed by the IVSC Board of Trustees.

### About the International Professional Standards

#### 5. What are the IPSs and what is the IVSC trying to achieve with the IPSs?

The IPSs will be developed by the Professional Board. Establishing a series of high quality international standards on the education, development, assessment and conduct of professional valuers will play a key role in strengthening the profession globally.

The IPSs are to be distinguished from the International Valuation Standards (IVSs). The IVSs provide the framework for the delivery of credible valuations whereas the IPSs provide the framework for suitably trained valuation professionals acting in an ethical manner.

The primary objectives driving the development and implementation of the IPSs are:

- to protect the public interest by ensuring that professional valuers observe high standards of professional and ethical conduct,
- to improve the credibility of the valuation profession and enhance public trust and confidence in the profession, and
- to increase the supply and demand for qualified professional valuers in sectors or markets where the professional infrastructure is weak or non-existent.

*high quality  
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## 6. What are the benefits of the IPSs?

The IPSs will result in a number of benefits including the following:

- The IPSs will strengthen the ability of the valuation profession to provide more competent services in an increasingly complex, globally-interconnected and rapidly changing commercial world.
- High quality IPSs will lead to the development of high quality valuation qualifications.
- Those interested in valuation education will be provided with common international standards.
- The IPSs will contribute to strengthened public trust by increasing the competence of the global valuation profession.
- There will be a reduction in the international differences in the requirements to qualify and work as professional valuer, thereby facilitating global mobility.
- Being part of a strong, coherent globally recognised valuation profession will be to the benefit of every professional valuer, regardless of whether their work is local or international in nature.

## 7. Many Valuation Professional Organisations (VPOs) have developed professional standards and include the subject matter of the IPSs within their sphere of authority. How does the Professional Board intend to interact with the VPOs in this regard? Has the Professional Board considered accessing the expertise of the VPOs in the development of the IPSs?

The IVSC wishes to facilitate, in tandem with the individual VPOs, the development of the valuation profession globally. The Professional Board will work closely with the VPOs in the development of the individual IPSs and will look to the body of knowledge established by the VPOs. The Professional Board will establish working groups to develop the IPSs and VPOs will be encouraged to provide representatives for the groups to leverage the existing expertise.

*the Professional Board will work closely with the VPOs in the development of individual IPSs*

The VPOs have direct or indirect responsibility for the education and development of their members. The valuation profession has developed over the years according to culture, statute and convention. This has led to fragmentation by geography, discipline and asset type and disparate and varying qualifications of the individuals preparing valuations.

Some VPOs are very mature with robust education programmes, mandatory continuing education requirements and discipline procedures for non-

compliance that may meet or exceed the IPSs.

In some jurisdictions, the valuation profession is at a much earlier stage of development. The Professional Board will encourage mature VPOs to mentor those seeking to establish the profession in these less mature markets.

**8. Is the Professional Board addressing just business valuations, valuations used for financial reporting purposes and/or the activities of the wider valuation profession as a whole?**

The IPSs will be relevant to the valuation profession as a whole.

In recent years, the increasing scrutiny of regulators in the financial reporting arena and the banking and real estate sectors, in particular, has put a spotlight on valuation. It has been noted in public forums that the valuation profession is highly fragmented and the maturity of the profession varies across asset classes and across geographies. This publicity has accelerated the need to ensure and evidence that valuations are being performed by professionals competent to do so for the purpose required.

*the increasing scrutiny of regulators has put a spotlight on valuation*

## **Where next?**

**9. How will the Professional Board set the IPSs?**

The Professional Board follows a rigorous due process, including an international exposure and consultation process that ensures that interested parties have the opportunity to express their views throughout all stages of the development of the IPSs. A copy of the due process for all IVSC projects is available on the IVSC website.

**10. Who will enforce the IPSs?**

Enforcement of the standards issued by the IVSC is through adoption and recognition by others, such as VPOs or by their incorporation into law. The VPOs have the responsibility of monitoring and regulating their members.

However, the IVSC will monitor the adoption of the IPSs through the development of an IVSC Member Body Support and Compliance Programme. The VPOs will be responsible for the acknowledgement/implementation of the IPSs as an obligation of membership in the IVSC.

**11. Will the IVSC accredit individual valuers and/or VPOs?**

The IVSC will not accredit or license individual valuers or VPOs, nor will the IVSC judge the established standards of the VPOs. The valuer qualifications are set by the states and/or governing bodies in the various countries.

**12. Does the IVSC plan to provide education and training?**

The IVSC does not provide education or training. The VPOs are responsible for education and training for their members, as are educational institutions for enrolled students.