BUILDING TRUST IN VALUATION
The IVSC is the global standard setter for valuation practice and the valuation profession.

We serve the public interest by promoting consistent compliance with, and implementation of, high-quality, internationally accepted standards in the preparation and presentation of valuations around the world.

The IVSC is a not-for-profit organisation, supported in its mission by members and sponsors including the World Bank, United Nations, major international accounting firms, and by valuation professional organisations worldwide.

The IVSC works with national standards bodies, governments, regulators and service providers to support the adoption of International Valuation Standards (IVS).

100+ IVS is recognised or adopted in more than 100 countries
WHAT ARE INTERNATIONAL VALUATION STANDARDS (IVS)?

IVS are globally agreed, high-level standards which underpin valuation for all asset types. They establish a consistent and transparent framework for valuation practice worldwide.

Today, IVS are adopted or recognised by valuation professional bodies, user groups and financial regulators around the world. As their use grows, IVS are playing an important role in supporting business and de-risking financial markets for the public good.
Accurate valuation data is essential to business and to the stability of our financial markets.

**Businesses rely on valuation data to:**
- Establish the underlying value of their assets
- Make informed and de-risked investment decisions
- Comply with financial reporting rules and regulations
- Compare and benchmark asset performance
- Manage risk effectively

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**Valuation matters.** Whatever the reason for conducting a valuation – financial reporting, M&A activity, financing, asset sales or determining the capital adequacy of financial institutions – reliable valuations are crucial. They help foster financial stability and sustainable economic growth.

Sir David Tweedie  
Chair of the IVSC Board of Trustees and former Chair of the International Accounting Standards Board (IASB)

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Valuations are carried out for different types of asset. Depending on the purpose of the valuation some aspects of the approach may vary:

- **Tangible Assets**  
  e.g. real estate, machinery, personal property, infrastructure – all physical assets

- **Intangible Assets**  
  e.g. businesses, copyrights, trademarks, intellectual property, royalties

- **Financial Instruments**  
  e.g. REITs, derivatives, stocks and shares, financial contracts
Inaccurate and poor quality valuations add risk and hinder business. Poor valuations erode business and public trust and undermine stability in the financial system.

Our world is interconnected, business and capital is more global today than ever before. However, unlike financial reporting which has been unified under IFRS, valuation standards and professionalism varies throughout the world. In some markets there are no set standards.

Without consistent and robust valuation standards businesses struggle to rely on this important information. They are unable to compare assets like-for-like and they cannot be confident that a valuation has been carried out professionally and in line with their business needs.

Poor valuation practice was identified by the Financial Stability Board and the G20 as a significant contributor to the 2008 financial crisis with a particular focus on financial instruments, where there was much inconsistency in valuation between financial institutions as well as across national borders.

WHY DO INTERNATIONAL STANDARDS MATTER?

Valuation consistency and quality throughout the world is one area where investors often face challenges. We’re in the business of investing other peoples’ money responsibly and it is therefore vital that we have access to reliable and consistent valuations carried out by qualified professionals.

Martin Brühl
Chief Investment Officer,
Union Investment Real Estate
HOW DO INTERNATIONAL VALUATION STANDARDS BENEFIT YOU?

IVS are important to any user or provider of valuation data, they:

Establish a global framework for valuation providers, overcoming gaps in quality and consistency around the world.

Set asset-specific guidelines on how a valuation should be done.

Enable like-for-like comparisons of data, based on a consistent valuation methodology.

Reflect the global nature of business, which operates across borders.

Give a guarantee of quality and define international best practice.

Are recognised and supported around the world by leading valuation organisations.

The IVSC, along with its partners, members and sponsors is leading global efforts to foster consistency, transparency and trust in valuation practice.

Kathleen Casey
IVSC Trustee & former Commissioner with the US SEC
HOW HAVE THE IVS BEEN DEVELOPED?

The IVS are set by the International Valuation Standards Council (IVSC). Independent technical standards boards comprising specialist valuation experts from around the world lead the development of and consultation on IVS.

Different technical boards cover:

<table>
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<th>Board Type</th>
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<tbody>
<tr>
<td>Tangible Assets</td>
<td>Including real estate, plant and machinery</td>
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<tr>
<td>Intangible Assets</td>
<td>Including business fair value and intellectual property</td>
</tr>
<tr>
<td>Financial Instruments</td>
<td>Including derivatives and equity instruments</td>
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I believe a global set of standards for valuation is important. Globally aligned standards improve quality and consistency and support professionals, regulators and end users of valuation data. IVSC has an important role to play in developing a global valuation profession.

Leigh Miller
Global Leader, Valuation and Business Modeling, EY

Convergence of valuation standards is important as economic globalisation drives the need for alignment. IVS has become the most influential professional valuation standard worldwide.

Dr Zhang Guochun
Secretary General, China Appraisal Society
International Valuation Standards support business and safeguard the financial system for the public good. Their success relies on the support of responsible organisations.

Organisations can support by:

1. **Becoming a member or a sponsor of the IVSC**
   The IVSC relies on the support and collective leadership of members and sponsors. These organisations are recognised for their commitment to enhancing global valuation practice.

2. **Adopting IVS**
   You can support the adoption of IVS by applying them in your business. If you commission valuations then you can specify adherence to IVS in your instructions.

3. **Contributing to consultations**
   Contribute to consultations on IVS and share your feedback on their future development through the IVSC’s technical standards boards.

The IVSC is committed to improving valuation standards for the benefit of all. Your support can help us achieve this goal.

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