

October 12, 2018

Dear Mr. Aronsohn,

After studying the Exposure Draft of IVS 2017 Proposed Revisions, ANEVAR likes to communicate the following answers:

Question 1: Do you believe that IVS should define the terms Price, Cost, and Value? If so, please discuss why you think the additional definitions are necessary.

Answer: *Yes. In different textbooks, national/regional standards are various definitions and we should have the ones related with IVS*

Question 2: Do you believe IVS should define *Calculation* and *Calculation Engagement*? Please explain why.

Answer: *No, because are not sufficiently recognized globally and may be misleading*

Question 3: Should a *Calculation* be IVS compliant, and if so, what differences in the scope of work and disclosures outlined in IVS should be required by the *valuer*?

Answer: *No, calculation itself cannot comply with IVS*

Question 4: Should IVS provide examples of “substantial” limitations? If so, please provide examples of such limitations.

Answer: *No. We agree the proposed changes in IVS 102*

Question 5: Do you agree with the suggested changes to IVS 105 section on Discount Rates? If not, please provide details of the additional information you think should be included or excluded from this section.

Answer: *In our opinion would be better to have a separate document dealing with discount rates and related cash flows, structured for all types of assets. However, in interim we agree partially the proposed changes as:*

- *agree para 10.5, 50.6a-d, 50.30-50.35, 50.37, 50.38a,c,d and 50-39a*
- *we think that 50.6e, 50.36, 50.3b need more explanations*
- *not agree 10.9 because we are not in favor of introducing of the “calculation”*
- *not agree 10.10 because is already covered in IVS*
- *not agree 50.39b because is not balanced against 50.39.a showing the bias in favor of adjusting the cash flows for the risks*

Question 6: Do you agree that the methods are more relevant to business valuation and the placement in IVS 200 is appropriate? If no, please explain why.

Answer: *Agree*

Question 7: Are there additional methods that should be included in the proposed revisions, for example the Hybrid Method? If yes, please discuss the additional methods to consider.

Answer: *No*

Question 8: Are there additional topics within Early Stage Company Valuation that you feel should be included in IVS or explored further by the Boards? Please provide an outline for any topics suggested.

Answer: *No*

Question 9: Do you feel that the inclusion of the “As Is” and “As Proposed” value for the Development Property will reduce the risks in relation to the valuation of development property? If no, what additional information would you like to see included?

Answer: *No, because IVS 2017 do not address the valuation for secure lending*

Question 10: Should the *valuer* be compelled to state the method of valuation they have used in their calculation of market value and report the assumed (or calculated) Developers Profit when reporting market value? If no, please explain why not?

Answer: *Yes*

ANEVAR President

Dana Ababei

