



# INSTITUTE OF PHILIPPINE REAL ESTATE APPRAISERS

MEMBER: International Valuation Standards Council (IVSC); International Property Measurement Standards Coalition (IPMSC); International Ethics Standards Coalition (IESC); ASEAN Valuers Association (AVA)



Sent thru email: [CommentLetters@ivsc.org/](mailto:CommentLetters@ivsc.org/),

7 July 2016

International Valuation Standards Council  
1 King Street, LONDON EC2V 8AU  
United Kingdom

IPREA – Philippines.... comments on the IVS 2017 Exposure Draft:

Comment is sent as email attachments to: [CommentLetters@ivsc.org/](mailto:CommentLetters@ivsc.org/)

Dear Sir

IPREA appreciates the opportunity to comment on the ivs 2017 Exposure Draft as issued by the International Valuation Standards Council (IVSC).

The following comments express the views of The Institute.

IPREA has set out responses to the questions raised in the ED below on Appendix I.

To this end, we continually look forward to a meaningful working relationship with IVSC.

Kind regards,

Meneleo Albano MRICS  
IPREA President

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#### Questions for Respondents on Bases of Value

- (a) Do you agree that valuers should be responsible for choosing the appropriate basis (or bases) of value according to the terms and purpose of the valuation assignment, and that the basis of value may not be one defined by the IVSC? If not, why?

**IPREA agrees**

- (b) Prior versions of international valuation standards included Special Value as a separate and distinct basis of value. The Board generally believes that valuers seldom perform valuations using Special Value as a distinct basis of value. Rather, valuations are typically performed using another basis of value predicated on certain hypothetical assumptions (“special assumptions”) or a specific purchaser (resulting in synergistic value). Do you agree with the removal of Special Value as a separate and distinct basis of value? If not, please describe the circumstances in which you use Special Value as a distinct basis of value?

**Agree**

- (c) The IVSC has retitled the previously defined Fair Value as Equitable Value in order to avoid confusion with other definitions of Fair Value. Do you agree with this change, if not why not?

**Agree**

- (d) Liquidation Value has been added as an additional basis of value. Do you agree with its inclusion within IVS 2017 and are you in accordance with the definition used? If not, why not?

**Agree**

- (e) Replacement Value has been added as an additional basis of value. Do you agree with its inclusion within IVS 2017 and are you in accordance with the definition used? If not, why not?

**Agree with its inclusion within IVS 2017**

- (f) Are there other bases of value defined by other entities/organisations that should be mentioned in IVS 104? Which ones? Why?

**None**

#### Questions for Respondents on Valuation Approaches

1) Do you agree that when selecting an appropriate valuation approaches and methods a valuer should consider the following?

a) the appropriate bases of value, determined by the terms and purpose of the valuation assignment,

b) the respective strengths and weaknesses of the possible valuation approaches and methods,

c) the appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market,

d) the availability of reliable information needed to apply the method(s), and

e) if not, why? What considerations would you add to or remove from this list?

**Agree to all the considerations**

2) Under each valuation approach, this exposure draft includes criteria for when the approach should be used. Do you agree with the criteria presented under each approach? If no, what changes would you make? Why?

**Agree with the criteria presented under each approach.**

3) Are there areas of this chapter that you feel should be expanded upon in future board projects (eg, discount rates, discounts/premiums, etc)?

Questions for Respondents on Intangible Assets

(a) In IVS 2013, all substantive portions of IVS 210 Intangible Assets were labelled as “commentary” (except for scope and effective date). This label seems to have created some confusion amongst stakeholders as to whether the standard was mandatory. The Board’s position is that all aspects of IVS 2017 should be mandatory and this Exposure Draft has removed the “commentary” label for clarity. Do you agree with the removal of the commentary label?

**Agree to the removal of the commentary label**

(b) Do you agree with the decision to incorporate relevant portions of TIP 3 into IVS 210 and to eliminate TIP 3 as a standalone document? Are there any other elements of TIP 3 that you believe should be incorporated into IVS 210?

**Agree with the decision to incorporate relevant portions of TIP 3 into IVS 210 and to eliminate TIP 3 as a standalone document**

(c) In addition to the contents of IVS 105, this Exposure Draft includes criteria that should be used by an appraiser in selecting an appropriate valuation approach and method for the valuation of intangible assets. Do you agree with the criteria presented under each approach? If no, what changes would you make? Why?

**Agree with the criteria presented under each approach**

- (d) The Board believes that the standard presented in this Exposure Draft can be applied in the valuation of intangible assets regardless of the purpose of the valuation (financial reporting, tax, transactions, litigation, etc.). Do you agree? If not, for what purpose(s) do you not believe this standard can be applied? Why?

**Agree**

**Questions for Respondents on Framework**

The Board invites individuals and organisations to comment on all matters in this proposed update, particularly on the issues and questions below. Comments are requested from those who agree with the proposed guidance as well as from those who do not agree. Comments are most helpful if they identify and clearly explain the issue or question to which they relate. Those who disagree with the proposed guidance are asked to describe their suggested alternatives, supported by specific reasoning.

- (a) In IVS 2013, all substantive portions of the standards were labelled as “commentary” (except for scope and effective date). This label seems to have created some confusion amongst stakeholders as to whether the standards were mandatory. The Board’s position is that all aspects of IVS 2017 should be mandatory and this exposure draft has removed the “commentary” label for clarity. Do you agree with the removal of the commentary label?

**Agree with the removal of the commentary label**

- (b) Do you agree with the Board’s decision to remove the section on Bases of Value from the IVS Framework and produce a single chapter on Bases of Value in order to clarify the mandatory nature of this section and to avoid repeating certain guidance throughout the IVS? If not, why?

**Agree**

- (c) Do you agree with the Board’s decision to remove the section on Valuation Approaches from the IVS Framework and produce a single chapter on valuation approaches and methodologies in order to clarify the mandatory nature of this section and to avoid repeating certain guidance throughout the IVS? If not, why?

**Agree**