

July 18, 2016

Sent via email to CommentLetters@ivsc.org

IVSC Standards Board
International Valuation Standards Council
1 King Street
London EC2V 8AU
United Kingdom

Dear Sirs:

Re: Comments on IVSC Exposure Draft – IVS 2017 Introduction & Framework

The Canadian Institute of Chartered Business Valuators is pleased to provide our comments on the above-noted IVSC Exposure Draft.



Response to Questions for Respondents

Question (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?

CICBV Response

It is important that the IVSC provide clarity as to what it intends to be mandatory.

Question (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?

CICBV Response

It is important that the IVSC provide clarity as to what it intends to be mandatory.

Question (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?

CICBV Response

It is important that the IVSC provide clarity as to what it intends to be mandatory. We do not however agree that the section on valuation approaches and methods is in the nature of a standard. In this regard we refer to our comment letter on that exposure draft.

Question (d)

Do you agree with the IVS definition of Exceptions and Departures? If not, why?

CICBV Response

We agree with the definition of exemptions and departures noted in the Exposure Draft. With respect to departures, explicit explanation of such should be noted, not just that there has been departures.

We hope that this submission is helpful to you. If you have any questions regarding our comments, please do not hesitate to contact us.

Yours truly,



Robert H. Boulton, CPA, CA, CBV
Executive Vice President and COO

July 18, 2016

Sent via email to CommentLetters@ivsc.org

IVSC Standards Board
International Valuation Standards Council
1 King Street
London EC2V 8AU
United Kingdom

Dear Sirs:

Re: Comments on IVSC Exposure Draft – IVS 104 Bases of Value

The Canadian Institute of Chartered Business Valuators is pleased to provide our comments on the above-noted IVSC Exposure Draft.



Response to Questions for Respondents

Question (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?

CICBV Response

We agree.

Question (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?

CICBV Response

We agree.

Question (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?

CICBV Response

We agree.

Question (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?

CICBV Response

We agree.

Question (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?

CICBV Response

We agree with its inclusion and we are in accordance with the definition used.

Question (f)

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

CICBV Response

No there are not.

We hope that this submission is helpful to you. If you have any questions regarding our comments, please do not hesitate to contact us.

Yours truly,

A handwritten signature in blue ink, appearing to read "Robert H. Boulton".

Robert H. Boulton, CPA, CA, CBV
Executive Vice President and COO

July 18, 2016

Sent via email to CommentLetters@ivsc.org

IVSC Standards Board
International Valuation Standards Council
1 King Street
London EC2V 8AU
United Kingdom

Dear Sirs:

Re: Comments on IVSC Exposure Draft – IVS 105: Valuation Approaches and Methods

The Canadian Institute of Chartered Business Valuators is pleased to provide our comments on the above-noted IVSC Exposure Draft.

—
THE CANADIAN INSTITUTE *of*
**CHARTERED
BUSINESS
VALUATORS™**
—

Comments on Proposed Amendments

Mandatory compliance is intended for the entire Valuation Approaches and Methods standard. While the standard contains information that helps explain the matter of business valuation to the uninformed, it largely contains material that would be considered to be commentary (i.e. that provides basic information that may be relevant to business valuation but which should not be part of a standard itself). This is the type of information that someone who is qualified to do a business valuation would already know. Inclusion of such rudimentary information runs the risk that someone might believe that by reading it they have in some way made them qualified to practice in the area of business valuation.

We do not believe that the inclusion of this type of educational information within a standard is useful for their purpose.

We hope that this submission is helpful to you. If you have any questions regarding our comments, please do not hesitate to contact us.

Yours truly,

A handwritten signature in blue ink, appearing to read "Robert H. Boulton".

Robert H. Boulton, CPA, CA, CBV
Executive Vice President and COO

July 18, 2016

Sent via email to CommentLetters@ivsc.org

IVSC Standards Board
International Valuation Standards Council
1 King Street
London EC2V 8AU
United Kingdom

Dear Sirs:

Re: Comments on IVSC Exposure Draft – IVS 210: Intangible Assets Standards

The Canadian Institute of Chartered Business Valuators is pleased to provide our comments on the above-noted IVSC Exposure Draft.

—
THE CANADIAN INSTITUTE *of*
**CHARTERED
BUSINESS
VALUATORS™**
—

Comments on Proposed Amendments

The revised standard concerning Intangible Assets has, as the Exposure Draft sets out, had added to it much of the content that was previously considered to be guidance, such that the entire IVS 210 as it is written is considered now to require mandatory compliance. The result of this approach has been to take what was considered to be “commentary” (that provided basic information that may be relevant to business valuation, and that was not really guidance on how to apply the requirements of the IVS) and make it part of the standard itself. This is the type of information that someone who is qualified to do a business valuation would already know. Inclusion of such rudimentary information runs the risk that someone might believe that by reading it they have in some way made them qualified to practice in the area of business valuation.

We do not believe that the IVS generally were at “too high a level” as the Exposure Draft states. We do not believe that this amalgamation of guidance and educational information within a standard is useful for their purpose.

We hope that this submission is helpful to you. If you have any questions regarding our comments, please do not hesitate to contact us.

Yours truly,

A handwritten signature in blue ink, appearing to read "Robert H. Boulton".

Robert H. Boulton, CPA, CA, CBV
Executive Vice President and COO