Dear Sirs,

We have carefully read and reviewed the revised version of International Valuation Standards and we are pleased to note the good structure and comprehensiveness of the update. The revised document covers all important aspects of the valuation assignment and in our view it sets a very high standard for the valuation work.
Below we provide brief comments on the Questions for Respondents as well as on some other areas which we thought important to note:

Q.: 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?

We agree that standards should contain the mandatory requirements. Many of our members though have expressed the view that the Valuation Applications as well as TIPs contain useful guidance which is worth retaining in an Annex to the Standards. Including guidance regarding the most common areas of valuation practice, such as valuations for financial reporting, for secured lending, for squeeze out situations, would enhance the common understanding among stakeholders, especially considering the diversity of bases of value.

Q.: 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?

We agree that Bases of Value should be a separate chapter. Basis of value is fundamental in defining the valuation assignment and having clear definitions is central to aligning the expectations of valuation stakeholders.
While we recognize that IVS cannot provide for an exhaustive guidance on the application of different bases of value, we would recommend though that the standard includes guideline how to reconcile certain bases of value that are most commonly referred to, e.g. para 39 of IVS 2013 states "The IVSB considers that the definitions of fair value in IFRS are generally consistent with market value".
With regards to the Premise of Value section, we would recommend that there is also a definition of the Going Concern premise, which is the most frequent premise of value applied in valuation of businesses.

Q.: 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?

The IVS 2017 Exposure Draft is quite comprehensive in describing the valuation approaches and methods, which provides structure considering the various terminology in the valuation literature. In our view the depth of the detail in describing the valuation method is sufficient for standard setting purposes.

Q.: Do you agree with the IVS definition of Exceptions and Departures? If not, why?
The only recommendation which we would have with regards to this definition is to add an example that would allow a reader to better understand the distinction between the two.

In terms of the *Framework section*, we would suggest that the Board considers a change in para. 20 Assets and Liabilities. The term "asset" is used for assets, liabilities, rights, etc. (reference is made also to IVS 101 Scope of Work, para. 20.3.d.). To avoid confusion (we do not expect that users of valuation reports would be sophisticated enough to have the knowledge of IVS's definition and might challenge the use of "asset" when the valuation refers to a "liability"), we would recommend that the Standards adopt a different term, e.g. "subject/target of valuation".

We would recommend to add to *IVS 102 Investigations and Compliance* a section dealing with situations when the valuer is restricted in the valuation analysis by either non-availability of information or by not being provided access to such information.

With regards to *IVS 103 Reporting*, we would suggest that para 30.1 is supplemented to include a description of the subject of valuation and the relevant external environment and internal value drivers which affect its valuation. It might be argued that by describing the assumptions of the valuation these areas will be covered, however, we believe that the Standard should set a minimum level of disclosures.
Certain professional valuation standards distinguish between different types of reports based on availability of information, depth of the analysis, purpose of the valuation. It might be worth to consider setting the requirements for a full valuation report, a summary report, a valuation estimate, a valuation certificate so that the valuers can refer to the respective standard when negotiating the assignment.