



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

14 September 2017

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

Dear Sir/Madam,

**COMMENTS ON “IVS AGENDA CONSULTATION 2017”**

The Malaysian Institute of Accountants (“MIA”) appreciates the opportunity to provide comments on “*IVS Agenda Consultation 2017*”. The MIA applauds the efforts of the International Valuation Standards Council’s (“IVSC”) in strengthening the valuation practices in the global capital market.

Generally, we agree with the IVSC’s proposed initiatives for inclusion of financial instruments, pension liabilities and insurance liabilities in the IVS Agenda. We also agree with the IVSC that priority be given to non-financial liabilities to address the issue associated with a lack of observable market to measure the fair value of a non-financial liability.

We are of the view that the IVSC should take an approach to promote consistency in the use of terminologies, definitions, approaches and methodologies, and minimise divergence in practices. The International Financial Reporting Standards (“IFRS”) are well-established accounting standards which are widely used in the global marketplace. Therefore, we disagree that the IVSC create a separate definition of liabilities, as it will create confusion in the global marketplace. It is important that accountants in business, auditor, and valuers use the same definition so as to avoid unnecessary differences in interpretation and application.

In addition, the need for producing standards on the derivation of discount rates depends on the reasons that created the differences in derivation of discount rates. If the differences created is due to discretion of valuers, in this circumstance, we suggest that the IVSC set out the guiding principles to allow valuers to apply and exercise appropriate judgement. If the differences created is due to a lack of knowledge, the solution would be different.

We trust our comments and accompanying recommendations are of value and use to the IVSC, in your onward deliberation. The MIA looks forward to further strengthening such important dialogues between both our organisations.

On another note, we would like to express our gratitude to the IVSC for your active participation in our recent Business Valuation Roundtable and Capital Market Conference 2017 in Malaysia. Your presence, as well as your valuable contribution and feedback, is greatly appreciated and has gone towards making the events a great success.

Yours sincerely,

**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

**DR NURMAZILAH DATO' MAHZAN**

Chief Executive Officer