

IOSCO and IVSC collaborate to explore international valuation approaches and the quality of financial information for investors

- **IOSCO and IVSC agree to explore best ways to promote high quality valuation practices in the public interest.**
- **Cooperation agreement follows feedback from securities regulators highlighting inconsistency in valuation quality and approach, worldwide**

London, UK, October 2022 – International Organization of Securities Commissions (“IOSCO”), the global standard setter for securities regulation, and the International Valuation Standards Council (“IVSC”), a global organisation responsible for setting the International Valuation Standards, have today entered into a Statement of Cooperation aimed at developing a better understanding of the quality and consistency of valuations and the professional standards employed by valuers internationally with the objective of mitigating risks to the quality of financial information for the protection of investors and for the stability of the financial system.

The Statement of Cooperation, signed by IOSCO Board Chair and CEO of Securities and Futures Commission of Hong Kong, Ashley Alder, and IVSC Chair, Alistair Darling, outlines steps both organisations will take to enhance their cooperation and build mutual understanding of the landscape surrounding the valuation profession and standard-setting process, including governance, due process and credentialing. It follows a roundtable meeting earlier this year, during which senior leaders of standard-setting, regulatory, audit, investor and valuation organisations encouraged IVSC and IOSCO to work together to improve the quality and consistency of valuations across international markets.

The IVSC and IOSCO share the mutual goal of improving the financial information that regulators and market participants rely on. Our Statement of Cooperation with IOSCO highlights the importance of valuation in financial stability and will further advance international valuation standards and professionalism, globally.

Alistair Darling, Chair of the IVSC Board of Trustees

PRESS RELEASE

Valuations are an important component of sound capital markets, but valuers are regularly not overseen by securities regulators. As a first step, IOSCO intends to deepen its understanding of current issues and standards within this area by engaging closely with the IVSC to understand their standards and standard-setting process. Ashley Alder, IOSCO Board Chair.

Valuations are an important component of the financial reporting system. Professional quality valuations, informed through transparent and consistently applied international valuation standards, can help to mitigate risks to investors and to the stability of the financial system as a whole.

Despite a growing acceptance of the important role valuations play in stable financial markets, quality and consistency in approach can vary significantly throughout the world today. In a recent survey of its members undertaken by IOSCO, national securities regulators reported a divergence in the quality and approach to valuation from country to country.

The Statement of Cooperation formalises the ongoing collaboration between both organisations. The agreement encompasses knowledge sharing and proactive support in areas including approach to standard-setting, governance and monitoring, as well as emerging valuation risks and identifying further actions for consideration by the securities regulators.

NOTES TO EDITORS

About IOSCO

The International Organization of Securities Commissions (“IOSCO”) is an international body that brings together the world's securities regulators and is recognised as the global standard setter for the securities sector. IOSCO develops, implements and promotes adherence to internationally recognised standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda.

About the IVSC

PRESS RELEASE

The International Valuation Standards Council (“IVSC”) is a global, independent and not-for-profit, private sector organisation. The objective of the IVSC is to develop a single set of high quality globally accepted International Valuation Standards (IVSs) and to strengthen the valuation profession by establishing codes of conduct and competency benchmarks for valuation professionals.

Valuations are used for purposes impacting many areas of business such as company listings, mergers and acquisitions, funds and investment, financial reporting, auditing, business valuations, secured lending, regulatory compliance, taxation, litigation, insolvency, insurance. International consistency and quality of valuations are therefore important components of the financial system and mitigate risks to market integrity and investor protection.

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