

## IVSC BVB May 2023 Meeting

***Items shown in bold italics should include links to the relevant documents***

This IVSC Update highlights preliminary decisions of the IVSC Business Valuation Board (Board). Projects affected by these decisions can be found on the ***IVSC Publication Schedule***. The Board's final decisions on IVS® Standards and Amendments as set out in the ***IVSC Standards Review Board Due Process and Working Procedures***.

The Board met virtually on **17<sup>th</sup> May 2023 at 08:00 UTC**

The topics in order of discussion, were:

### **Contents**

1. Declaration of conflict of interest
2. Record of previous meeting notes
3. Initial feedback on exposure draft (AA)
4. Opening remarks by the chair (RJS)
5. Perspective Paper on Data valuation (NK)
6. Expressions of interest for the valuation risk working group
7. Interaction with ISSB
8. Agenda for Tokyo meeting (July 2023)
9. Logistics and other considerations for next in-person meetings
10. Closing Remarks / Other Business.

#### **1. Declaration of conflict of interest**

- Attendees were asked if they were aware of any conflict of interest arising from this meeting.
- No attendee reported any conflict of interest.
- No decision was taken, nor any vote held on this topic.

#### **2. Record of previous meeting notes**

- Attendees were asked if they had any remarks on the record of the previous month's meeting.
- No attendee made any remark.
- No decision was taken, nor any vote held on this topic.

### **3. Initial feedback on exposure draft (AA)**

- AA delivered some Initial feedback on the IVSC exposure draft (AA).
  - The document has been viewed more than 5,000 times
  - The document is more user-friendly.
  - AA reiterated his and the team's availability for meetings.
- No decision was taken, nor any vote held on this topic.

### **4. Opening remarks by the chair (RJS)**

- The Chair discusses the standing agenda for the BVB meeting in Tokyo.
  - He requested feedback from new members.
  - He encouraged more brainstorming on the various open perspective papers, along the lines of what was done in Sydney (March 2023): Intangible assets, Valuation risk etc.
- No decision was taken, nor any vote held on this topic.

### **5. Perspective Paper on Data valuation (NK)**

- NK gave an update on the preliminary work done= on the Perspective Paper on the valuation of Data.
  - NK stated that Elena Moisei had volunteered to co-author the paper.
- No decision was taken, nor any vote held on this topic.

### **6. Expressions of interest for the valuation risk working group**

- RJS sought expressions of interest in the working group on valuation risk working group:
  - Valuation risk is now understood as a risk around the process of valuation.
  - However, the topic is much broader, and risk varies widely.
  - There is a whole range of topics that needs to be clarified.
  - Right now, valuation standards do not talk about the risk inherent in the use of valuations.
  - First paper on discussion to define playing field around valuation risk and what challenges
- Srividya Gopal and Elena Moisei stated their interest in participating.
- No decision was taken, nor any vote held on this topic.

### **7. Interaction with ISSB**

- NK stated that there had been no interaction with the ISSB and that the ISSB had not published its S1 draft standards yet.
- No decision was taken, nor any vote held on this topic.

## **8. Agenda for Tokyo meeting (July 2023)**

- RJS stated that the upcoming BVB meeting in Tokyo would be an opportunity to meet with local stakeholders and regulators.
  - He noted that there is no VPO for Business Valuation.
  - He noted the existence of two relevant bodies in Japan and asked whether it made sense to engage with them:
    - i. Japan Private Equity association and
    - ii. the Japan Venture Capital Association.
  - Other topics to be discussed in Tokyo:
    - i. Agenda consultation
    - ii. Draft perspective paper on the valuation of data
    - iii. Feedback on the perspective paper on the valuation of technology
  - Discussion of any other forthcoming perspective papers
  - JS suggested the BVB discuss the relevance of valuation ranges.
- No decision was taken, nor any vote held on this topic.

## **9. Logistics and other considerations for next in-person meetings**

- RJS stated that the upcoming IVSC AGM in Paris would be an opportunity to meet with local stakeholders and regulators. As examples:
  - CFA Institute local chapter.
  - European standard setters
- The BVB also briefly discussed meetings in 2024:
  - The Board evoked possible meetings in Latin America and the Middle East.
- No decision was taken nor any vote held on this topic.

## **10. Closing Remarks / Other Business.**

- No other item was discussed.

Meeting ended at 08:33 UTC

