

IVSC TAB February Meeting Update 2023

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

This IVSC Update highlights preliminary decisions of the IVSC Tangible Assets 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 6 February 2023

PRESENT:

Ben Elder – Chairman (BE)
Brendan Gallagher (BG)
C K Lau (CL)
James Gavin (JG)

Kim Hildebrandt (KH)
Ludmila Simonova (LS)
Molefi Kubuzie (MK)
Sandip Deb (SD)

APOLOGIES:

Dirk Hennig (DH),
Eduardo Rottman (ER)

Rengganis Kartomo (RK)

IN ATTENDANCE:

Alexander Aronsohn (AA) – IVSC Technical Director (Tangible Asset Standards)

The topics in order of Discussion, were:

Contents

- ***IVSC Tangible Assets Board February Meeting Update 2023***
- ***IVSC Publication Schedule 30th January 2023***

Updates

- ***IVS General Standards Review***
- ***IVS Asset Standards Review***

Discussion

- ***Prudential Value***

IVSC Working Groups

- ***IVSC Tangible Assets Board Working Groups Update***

Other

- ***IVSC TAB Physical Meeting March 2023***

The Board were asked if there were any conflicts of interest in relation to the proposed topics and no conflicts were declared.

Work plan overview

IVSC Publication Schedule (*IVSC Publication Schedule 30th January 2023*)

The Board met on the 6th February 2023 to discuss proposals the timetables for some of its forthcoming consultation documents.

Further to discussion and in light of the TAB's focus on revising the IVS Tangible Assets Standards prior to going into public consultation in April 2023 the TAB agreed to revise the provisional publication date for the following TAB perspectives paper as follows:

- *Perspectives Paper ESG and Tangible Assets Valuation Part 2 - 30th September 2023*

The Board agreed the revised publication date.

Updates

IVS General Standards Review

The Board met remotely on 6 January 2023, and the Technical Director advised the Board of the progress made by the IVS General Standards Review working group in relation to the IVS General Standards Review.

The Technical Director further advised that the following working groups were reviewing the IVS General Standards prior to the IVSC SRB and IVSC TAB March meetings:

1. SRB Glossary Working Group

(David Larsen (chair), Kevin Prall, Mauro Bini, Richard Hayler, Alexander Aronsohn)

2. SRB 101 Scope of Work and IVS 106 Documentation and Reporting Working Group

(Mark Zyla, Ben Elder, Ian Jedlin, Susan DuRoss (chair), Alexander Aronsohn)

3. SRB 102 Bases of Value and IVS 103 Valuation Approaches Working Group

(Ahmad Sabry, Colin Martin, David Larsen, Richard Hayler (chair), Roy Farthing, Alexander Aronsohn)

4. SRB ESG Working Group

(Ayda Chamcham, Ben Elder, Becky Gaughan, Catalina Miranda, Colin Martin, David Larsen, Dr Georgia Warren-Myers, Howard Mah Lee, Kevin Prall, Kim S Hildebrandt, Mauro Bini, Richard Olson, Simon Orr, Susan DuRoss, Susann Ihlau, Alexander Aronsohn)

5. SRB Valuation review Working Group

(Ben Elder, Brendan Gallagher, David Larsen (Chair), Diana Niklolaeva, Doug Summa, Kim S Hildebrandt, Olivier Peronnet, Alexander Aronsohn)

6. SRB IVS Basis of Conclusions Working Group

(Ben Elder, Doug Summa, Richard Stewart, Susan DuRoss (chair), Alexander Aronsohn)

The Board discussed the proposed revisions to the IVS General Standards and advised of some concerns in relation to IVS 106 Documentation and Reporting and in relation to the change in the Glossary where “*intended use*” had been replaced by “*purpose*”.

The Technical Director advised the Board that he would notify the SRB of their concerns and would set up a separate working group with DS, KH and SD to discuss concerns in relation to revisions to IVS 106 Documentation and Reporting.

The Board was not asked to make any decisions.

Next steps

The TAB to review the revisions to the IVS General Standards Exposure Draft at the TAB Sydney March meeting and post the SRB March meeting in Singapore.

IVS Tangible Assets Standards Review

(Draft IVS 300, 400 and 410 Asset Standards New Format)

The Technical Director advised the Board that the following TAB working groups were in the process of restructuring the Tangible Asset Standards to align with the proposed revisions to the IVS General Standards and to potentially include additional sections on data and inputs, models and quality control.

IVS 300 Plant and Equipment Working Group:

Alexander Aronsohn, Brendan Gallagher, Dirk Hennig and Kim S Hildebrandt.

IVS 400 Real Property Interests Working Group:

Alexander Aronsohn, Dirk Hennig, Eduardo Rottman, Molefi Kubuzie and Sandip Kumar Deb.

IVS 410 Development Working Group:

Alexander Aronsohn, Eduardo Rottman, Ludmila Simonova , Molefi Kubuzie and Sandip Kumar Deb.

The TAB Director further advised that he had the working group had almost completed the revised drafts to be considered by the Tangible Assets Board at the Sydney March meeting.

The Board was not asked to make any decisions.

Next steps

The Tangible Assets Board to agree revisions to IVS 300, IVS 400 and IVS 410 during the March Singapore meeting.

Discussion

Prudential Value

(2022.11.09 Prudential Value Briefing Paper)

The Technical Director advised that as requested the Prudential briefing paper had been sent to the Basel Committee together with a cover letter from Alistair Darling (IVSC Chairman) consideration and review.

The Board was further advised that UK Prudential Regulatory (part of the Bank of England) had issued an Exposure Draft on Implementation of Basel 3.1 and responses were due by Friday 31st March.

The Technical Director also advised that he had shared the Implementation of Basel 3.1 Exposure Draft with the SRB and the SRB felt that any response to this Exposure Draft should be drafted by the SRB as it applied to all Asset classes.

The Technical Director further advised that RICS were planning to hold a round table on the implementation on 7th March 2023 and that he would be attending on behalf of the IVSC.

The Board was not asked to make any decisions.

Next steps

The Technical Director is to update the TAB on the RICS Prudential Value round table and on any draft responses prepared by the SRB.

IVSC TAB Physical Meeting March 2023

The Board discussed the proposed agenda for the TAB March Singapore meeting and agreed that the main focus of the agenda should be as follows;

- IVS General Standards Exposure Draft
- IVS 300 Plant, Equipment and Infrastructure
- IVS 400 Real Property Interests
- IVS 410 Development Property

Next step

The revised IVS General Standards Exposure Draft and the revised TAB Asset Standards to be distributed to the Board in advance of the March meeting.