

IVSC TAB January 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 11 January 2023

PRESENT:

Ben Elder – Chairman (BE)
C K Lau (CL)
Dirk Hennig (DH),
James Gavin (JG)

Kim Hildebrandt (KH)
Ludmila Simonova (LS)
Molefi Kubuzie (MK)
Rengganis Kartomo (RK)

APOLOGIES:

Brendan Gallagher (BG)
Eduardo Rottman (ER)

Sandip Deb (SD)

IN ATTENDANCE:

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

The topics in order of Discussion, were:

Contents

- ***IVSC Tangible Assets Board January Meeting Update 2023***
- ***IVSC Publication Schedule 23rd December 2022***

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 23rd December 2022*)

The Board met on the 11th January 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 dates for the following TAB perspectives papers as follows:

- Perspectives Paper ESG and Tangible Assets Valuation Part 2 - 30th June 2023
- Perspective Paper on Prudential Value – 30th September 2023

The Board agreed the publication date.

Updates

IVS General Standards Review

The Board met remotely on 11 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 SRB had set up the following working groups to review the proposed revisions to the IVS General Standards post the recent review by the IVSC Asset Boards:

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. IOSCO Working Group

(Richard Stewart (chair), Colin Martin, Doug Summa, Mark Zyla, Olivier Peronnet, Susan DuRoss, Alexander Aronsohn)

5. 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 as part of the IVS General Standards Improvement project.

The Technical Director advised the Board that the IVS Standard Review Board were only looking for fatal flaws at this stage and asked the SRB to provide him with any proposed revisions in relation to fatal flaws by close of play on Wednesday 25th January 2023.

The Board was not asked to make any decisions.

Next steps

The TAB to provide the Technical Director with potential IVS General Standards fatal flaws to be sent to the Standards Review Board and Technical for consideration and review post the next SRB meeting on Wednesday 25th January 2023.

**IVS Tangible Assets Standards Review
(Draft IVS 300, 400 and 410 Asset Standards New Format)**

The Technical Director advised the Board that in addition to a restructuring the Tangible Asset Standards to align with the proposed revisions to the IVS General Standards. The Board noted that subject to the revisions to the General Standards the Board should consider including additional sections on data and inputs, models and quality control within the Tangible Asset Standards.

The TAB Technical Director advised that he had set up following TAB working groups to review the Asset Standards:

IVS 300 Plant and Equipment Working Group:

Alexander Aronsohn, Brendan Gallagher, Dirk Hennig, Jack Beckwith 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 set up a number of working group meetings between Q1 and Q3 2023 including a physical meeting in March 2023 in order to meet the April 2023 public consultation date for revisions to IVS.

The Board was not asked to make any decisions.

Next steps

The Tangible Assets Board working groups to review the IVS Tangible Assets chapters over the course of the next few months and to recommend any amendments emanating from the IVS General Standards revisions to the IVS General Standards to the Standards Review Board.

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 Board further discussed the Exposure Draft on the Implementation of Basel 3.1 and agreed that the IVSC should respond to the relevant parts of this consultation though noted that some of the questions were more related to financial instruments.

The Technical Director also advised that he would be sharing the Implementation of Basel 3.1 Exposure Draft with the SRB in advance of the next SRB meeting.

The Technical Director added that RICS were planning to hold a round table or discussion on the implementation in January/February 2023, but he had no further information though had been advised that RICS would invite the IVSC to any round table or discussion in due course.

The Board was not asked to make any decisions.

Next steps

The Board to is to begin drafting a response on the PRA Exposure Draft and will share the draft response with the SRB for consideration and review. The Board is also considering holding a round table with key stakeholders and/or publishing the Prudential Value Perspectives Paper.

IVSC TAB Physical Meeting March 2023

The Board further discussed a physical meeting of the TAB in Sydney during March 2023.

Further to discussion, the Board confirmed that the meeting would take place between Monday 20th March and Wednesday 23rd March.

The Board discussed a potential agenda for the March meeting and agreed that the main agenda items should be the proposed revisions to the IVS General Standards and the IVS Asset Standards.

The Board also discussed stakeholder engagement during the March meeting, The Technical Director advised the Board that he would reach out to John Martin of the Advisory Forum and John Brennan of the API regarding TAB stakeholder engagement.

Next step

The Board are to book their travel in advance of the March 2023 physical meetings. The Technical Director will begin drafting a preliminary agenda for the March meeting and will reach out to John Martin of the Advisory Forum and John Brennan of the API regarding TAB stakeholder engagement.