

Internationally Accepted Valuation Standards (IVS)

While conducting a valuation, valuers have to comply with **Internationally Accepted Valuation Standards (IVS)** as applicable to the respective class of asset and respective method of valuation as required. The brief background of IVS is as follows:

- The IVSC also promotes leading practice approaches for the conduct and competency of professional valuers.
- The IVSC Standards Board is the body responsible for setting the IVS. The Board has autonomy in the development of its agenda and approval of its publications. In developing the IVS, the Board:
 - follows established due process in the development of any new standard, including consultation with stakeholders (valuers, users of valuation services, regulators, valuation professional organisations, etc) and public exposure of all new standards or material alterations to existing standards,
 - liaises with other bodies that have a standard-setting function in the financial markets,
 - conducts outreach activities including round-table discussions with invited constituents and targeted discussions with specific users or user groups. The objective of the IVS is to increase the confidence and trust of users of valuation services by establishing transparent and consistent valuation practices. A standard will do one or more of the following:
 - identify or develop globally accepted principles and definitions,
 - identify and promulgate considerations for the undertaking of valuation assignments and the reporting of valuations,
 - identify specific matters that require consideration and methods commonly used for valuing different types of assets or liabilities. International Valuation Standards.
 - The IVS consist of mandatory requirements that must be followed in order to state that a valuation was performed in compliance with the IVS. Certain aspects of the standards do not direct or mandate any particular course of action, but provide fundamental principles and concepts that must be considered in undertaking a valuation. The IVS are arranged as follows:
 - The IVS Framework -This serves as a preamble to the IVS. The IVS Framework consists of general principles for valuers following the IVS regarding objectivity, judgement, competence and acceptable departures from the IVS.
 - IVS General Standards - These set forth requirements for the conduct of all valuation assignments including establishing the terms of a valuation engagement, bases of value, valuation approaches and methods, and reporting. They are designed to be applicable to valuations of all types of assets and for any valuation purpose.
 - IVS Asset Standards - The Asset Standards include requirements related to specific types of assets. These requirements must be followed in conjunction with the General Standards when performing a valuation of a specific asset type. The Asset Standards include certain background information on the characteristics of each asset type that influence value and additional asset-specific requirements on common valuation approaches and methods used.
- The comprehensive document on international valuation standard is available on the IVSC website at www.ivsc.org.
- It is expected that every empanelled valuer are made aware of the IVS guidelines and adherence to the same is done by valuer in valuation process.

