



International Valuation Standards Committee

IVSC E-News Issue 19 November 2007

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IVSC moves forward with restructuring

2007 will go down as a watershed year in the history of global valuation standard setting. It is the year in which the building blocks for the internationalisation of valuation were set down. In April, members of the IVSC voted unanimously in favour of restructuring the IVSC. Meeting in London on 18 November, the IVSC Board unanimously approved revised Bylaws and Articles of Incorporation for the IVSC. The Board's decision was ratified by IVSC members at the Annual General Meeting on 19 November.

The new IVSC structure which will be operational from May 2008 has the following main features:

The IVSC will remain as a non-profit organisation incorporated in the State of Illinois; the IVSC acronym will be retained but the title changed to the "International Valuation Standards Council" to reflect the broader remit of the organization.

The organisation will have three main bodies:

A Board of Trustees responsible for the strategic direction and funding of the IVSC.

A Standards Board appointed by the Trustees, but with autonomy over its agenda and the creation and revision of standards.

A Professional Board will be appointed by the Trustees to assist in the development of high quality practices by the world's valuers and development of the profession in developing countries.

Membership of the IVSC will be broadened beyond national professional valuation institutes to include valuation companies, government, valuation end-users, and academia. Members will be provided a forum for participation with the objective of advising the Boards on agenda decisions and priorities in the work of the IVSC.

Current IVSC directors remain in post for the transitional period November 07 to May 08 with responsibility for day to day management of the IVSC. Elvin Fernandez (Malaysia) who was installed as chairman of the Board of Directors at the London meeting, said "For IVSC to rise to the challenge being set, it is crucial that it secures its funding base. In order to obtain rapid assurance that the new organisation can proceed expeditiously and with confidence about its financial stability, the IVSC is establishing a group of financial supporters from major financial, valuation and business firms. The goal of the IVSC is ambitious - to become an independent standard setting organisation that can develop international valuation standards for assets and liabilities that have such a key role to play in promoting vibrant, transparent markets and in strengthening investor confidence around the world. Many organisations, convinced of the need for a global valuation standard setter, are already joining the financing effort and becoming involved in the development of the IVSC."

During the November to May period, an advisory board, to be known as an interim Board of Trustees, will be established consisting of leading individuals from the business and financial world. This interim Board will provide an independent oversight and audit role of the IVSC restructuring process and business plan. Funds raised will be independently controlled by the group and released in accordance with the IVSC restructuring proposal. Fernandez continued, "An announcement on the full membership of this Board will be made within the next few weeks but we are delighted that Michael Sharpe was one of the first to agree to help us. Michael, a former senior partner of Coopers & Lybrand, is a director of the Australian Securities Exchange and Babcock & Brown Limited, and has been a director of several of the largest Superannuation Funds in Australia. Crucially, he was chairman of the International Accounting Standards Committee (IASC) and a member of IASC's Strategic Working Party that developed proposals leading to the creation of the International Accounting Standards Board in 2000. His experience will be invaluable to the IVSC."

In the meantime, it is business as usual for the IVSC Standards Board which will continue to work on its agenda which includes projects on the valuation of intangible assets, extractive industries, and forestry valuation. Additionally the Standards Board will continue to monitor the work of the US FASB Valuation Resource Group through the IVSC member of that Group.

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