“Significant Changes in International Standards – What do they mean for the Valuation Practitioners”

Ben Elder RICS Global Director Valuation
Valuation-
How much art and how much science?
International standards – working together
Valuation Challenges

IFRS 9 & 16 changes

CEIV BV Certification (MPF)

IVSC 2017

Red Book 2017
Accounting – International Financial Reporting Standards (IFRS)

► Designed as a common global language for business so that company accounts are understandable and comparable across borders.

► Initially sought to align accounting standards in Europe but the concept of consistency caught on and they became global.
IFRS – US GAP

- IFRS 9 –
- IFRS 13 Fair Value –
- IFRS 16 – All leases on balance sheet
- CEIV BV Certification (MPF)
- IVSC 2017
- RICS Valuation Global Standards (Red Book)
IVS’s 2017 – Key Changes

Mandatory - No TIPS

Must – Should May

- The word “must” indicates an unconditional responsibility
- The word "should" indicates responsibilities that are presumptively mandatory.
- The word "may" describes actions and procedures that valuers have a responsibility to consider
Red Book 2017

RB 2017 - implementation guide to the production of IVS 2017-compliant valuations.

- recognises and differentiates between:
  - *professional* standards (ethics etc.),
  - *technical* standards (with IVS 2017 at their heart) and
  - *performance* or *delivery* standards (overall client focus, complaint procedures etc.)

- Publish June – Implementation Date 1\textsuperscript{st} July 2017
Valuation-
How much art and how much science?