

***Creation of the International Valuation Standards Council***  
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Since mid-2007, the International Valuation Standards Committee has undergone a major restructuring, becoming a larger organization, renamed the International Valuation Standards Council (conveniently also abbreviated as IVSC). Specific standards guidance for valuation of minerals and petroleum assets were first included in the International Valuation Standards in 2005. The new IVSC is designed to meet the rapidly increasing valuation standards related needs of the world, particularly with the global adoption of the International Financial Reporting Standards.

The proposals for restructuring the IVSC were published in January 2007 and approved three months later at a Special Meeting in San Francisco. The restructuring was encouraged by members of the US Financial Accounting Standards Board and many other influential national and international institutions. The Chairman of the IVSC, Joseph Vella, when introducing the proposals said, “The valuation profession is under the spotlight as never before. The greater use of fair value has significantly raised the profile of valuations used for financial reporting purposes and is triggering increased scrutiny of the profession from regulators and other parties. The valuation profession is being challenged to come together around a set of robust and high quality valuation standards and to raise the quality of valuations internationally. The proposals for a restructured IVSC will provide the organizational structure for the profession to do just that.”

The first meeting of the new organization was in Kuala Lumpur, Malaysia, in October 2008. However, appointments to all board positions have only recently been completed. Appointments for many supporting roles have yet to be made.

Under the new structure:

- The new International Valuation Standards Board is an independent, autonomous decision-making body. An International Valuation Standards Interpretations Committee is to be created under the direction of the Standards Board.
- Though the IVSC is remaining a membership based organization, the criteria for membership has been broadened well beyond the national professional valuation institute membership of the previous IVSC. Membership is now open to a broader range of valuation societies and to corporate providers of valuation services, users of valuations, regulators and national standard setters, and academics. IVSC members will enhance the standard setting process by consulting with the International Valuation Standards Board on technical issues and project priorities through Advisory Councils. The IVSC is

actively encouraging minerals and petroleum industry sector membership to ensure representation of this sector's interests.

- The IVSC will work to protect the public interest by assisting in the development of high quality practices by the world's valuers and assist the development of the profession in developing countries. A new International Valuation Professional Board has been created for this area of pursuit, and is responsible to the Management Board. The intent is for the Professional Board to take a leadership role on behalf of the valuation profession in areas such as education and training, ethics, and information on best practice.
- An elected Board of Trustees has responsibility for oversight of the work of the IVSC. Its responsibilities include ensuring adequate funding and resources, high quality staff support, and the protection of the independence and integrity of the Standards Board and the Professional Board.

A call for volunteers for a new Extractive Industries Expert Group is expected shortly from the International Valuation Standards Board. The outgoing Expert Group was first convened by this author in January 2001. It has since carried out eight years of intense activity. During those it drafted the standards for valuation of minerals and petroleum assets that are now included in the International Valuation Standards, wrote comprehensive submissions to many international standards setting bodies and regulatory boards, and participated in relevant United Nations working group meetings. A major project begun in March 2004 is the development of an Extractive Industries Technical Paper, which remains to be finalized. A new Expert Group is being sought to bring fresh perspectives to projects such as this.

The IVSC posts information about its activities and calls for volunteers on its website, [www.ivsc.org](http://www.ivsc.org).