

الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers

تقييم
TAQEEM



IVSCs STANDARDS REVIEW BOARD DUE PROCESS AND WORKING PROCEDURES



In promulgating International Valuation Standards (“IVS”), the International Valuation Standards Council (“IVSC”), Standards Review Board (“SRB”) and its associated boards comprising the IVSC Business Valuation Board (“BVB”), the IVSC Financial Instruments Board (“FIB”) and the IVSC Tangible Assets Board (“TAB”) known collectively as the “Asset Boards” and individually as the “Asset Board”, adopt the following due process and working procedures. Further details of the general powers and duties of the SRB and the Asset Boards are contained with Article V of the IVSC Bylaws.

Matters of due process are identified in paragraphs 30–1 of this document. Revisions and additions to the IVS are only issued after the Due Process Oversight Committee (“DPOC”) concludes that due process has been followed with proper regard for the public interest and their decision is final.

Working procedures, shown in a separate section of this document, are steps adopted by the SRB and the Asset Boards to facilitate the operation of its due process but are not themselves part of the due process. Working Procedures may be modified in practice to reflect unique circumstances or, as considered necessary, to respond to changes in circumstances. If significant changes are made to the working procedures, as judged by the senior staff of the IVS, the DPOC are informed of such changes and the basis for them.



Due Process

General

1. SRB and the Asset Board meetings to discuss the development and to approve the issuance of IVSs will include public sessions.. (Ref: Para. A1)
2. Meeting agenda papers, including agenda consultations, discussion papers and exposure drafts for the public meetings prepared for the SRB and the Asset Boards and minutes of the immediately preceding public meetings of the SRB and the Asset Boards, are published on the IVSC website in advance of each SRB and Asset Boards meetings. (Ref: Para. A2-A4)
3. Meetings and agenda papers are in English, which is the official working language of IVSC.

Project Identification and Prioritization

4. The SRB and the Asset Boards identifies potential new projects based on an agenda consultation and technical staff research and recommendations, as well as the comments received on any discussion papers, research paper, suggestions made by the IVSC's Advisory Forum ("IVSC's AF"), consultative groups and valuation standard-setters and suggestions arising from round table discussions. To facilitate this process, the SRB and the Asset Boards periodically develops and approves, based on appropriate consultation, a strategy and work program. (Ref: Para. A5-A7)
5. In setting its work program, the SRB and the Asset Boards obtains the DPOC's conclusion as to whether the due process used to develop the SRB's strategy and work program has been followed with proper regard for the public interest. Annually, the SRB and the Asset Boards discuss the SRB's and the Asset Boards up-coming year's work program with the DPOC.

Project Commencement

6. A proposal to start a new project (*eg agenda consultations, discussion papers and exposure drafts*) is prepared based on research and on appropriate consultation with consideration given to the costs and benefits of the anticipated output of the proposed project. The process includes obtaining consultation and feedback from the IVSC's AF to identify matters of possible relevance to the project.

Development of Proposed International Valuation Standards

7. The SRB should assign responsibility for a project (*eg agenda consultations, discussion papers and exposure drafts*) to one of the Asset Boards. (Ref: Para. A9-A12)
8. The SRB and the Asset Boards consider whether to hold a public forum or roundtable, issue a consultation paper, or create a working group, which can include external specialists or, in order to solicit views on a matter under consideration. The decision to undertake any of these steps may be made at any stage before or after revisions to the IVS are issued for public exposure. Comments received through a public forum or roundtable, or the issue of a consultation paper, are considered in the same manner as comments received on an exposure draft. (Ref: Para. A13-A14)

9. When the Asset Board is satisfied that it has a proposed draft that is ready for exposure, it presents the draft to the SRB. (Ref: Para. A15)

10. The SRB votes on the approval of the agenda consultations, discussion papers, exposure drafts, technical revisions and finalised amendments or additions to the IVS's in accordance with the bylaws. In voting in favour of the release of an agenda consultation, discussion papers, exposure drafts, technical revisions to the IVS's, a member of the SRB is confirming that he or she is satisfied that the draft would form an acceptable insight, addition or revision to the IVS. (Ref: Para. A16)

Public Exposure

11. Approved agenda consultations, discussion papers, exposure drafts and technical revisions are exposed for public comment. Exposure drafts are placed on the IVSC website where they can be accessed free of charge by the general public. (Ref: Para. A17 -A18)

12. The exposure period will ordinarily be no shorter than 30 days and no greater than 90 days and will be subject to DPOC approval. (Ref: Para. A19)

13. Comments made by respondents to an exposure draft are a matter of public record and are posted on the IVSC website after the end of the exposure period and may also be referred to, directly or indirectly, within the basis of conclusions. (Ref: Para. A20)

Consideration of Respondents' Comments on an Exposure Draft

14. To facilitate the deliberative process, the Asset Board(s) provides the SRB, as part of the SRB's public agenda papers, with the responses received together with an analysis that summarizes the significant issues raised by respondents, outlines their proposed disposition and, as appropriate, explains the reason(s) significant changes recommended by a respondent(s) are, or are not, to be accepted. (Ref: Para. A21-A22)

15. Members of the SRB or Asset Board(s) familiarize themselves with the issues raised in comment letters on agenda consultations, discussion papers, exposure drafts or technical revisions, such that they are able to make well informed decisions as they finalize any revisions to the IVS's. The SRB or Asset Board(s) deliberate significant matters raised in the comment letters received, with significant decisions recorded in the minutes of the meeting of the SRB and/or Asset Board(s). (Ref: Para. A23-A24)

16. At the meeting in which the SRB deliberates significant matters raised in the comment letters received, members of the SRB are asked whether there are any issues raised by respondents, in addition to those summarized by the Asset Board(s), that they consider should have been discussed by the SRB and/or the Asset Boards.

Interaction with the IVSC's Advisory Forum

17. The SRB is responsible for consulting with the IVCSs' AF on the identification and prioritization of projects to be undertaken by the SRB and the Asset Boards. In particular, the IVSC's AF is consulted annually on the SRB's and the Asset Boards strategy and work program, including project priorities and any changes therein, to help establish their appropriateness.

18. The SRB is also responsible for consulting with the IVSC's AF during the development and finalization of IVS. In particular, the IVSC's AF is consulted on: (Ref: Para. A25)

- Proposals to start new projects;
- Significant issues relating to the development of an IVS; and
- Significant issues raised in comment letters on exposure drafts and the SRB's related response.

19. The Chair of the SRB and IVSC senior staff are responsible for bringing to the SRB's and/or the Asset Board(s) attention significant comments received through the consultation with the IVSC's AF. The Chair of the SRB and the IVSC senior staff reports back to the IVSC's AF the results of the SRB's and/or Asset Board(s) deliberations thereon.)

Approval of an International Valuation Standard, and Consideration of the Need for Re-Exposure

20. When the Asset Board(s) are satisfied that it has a proposed final IVS that is ready for approval, it presents the revised content of the exposed IVS to the SRB for approval.

21. The senior staff member of the IVSC is responsible for advising the SRB on whether due process has been followed with proper regard for the public interest before a final IVS is approved for issue. (Ref: Para. A26-A27)

22. The SRB votes on the approval of the final revised content of an exposed IVS in accordance with the by-laws. Approval of the final revised content of an exposed IVS is an approval for its issue as a final IVS, unless the SRB subsequently votes in favour of re-exposure as described below. (Ref: Para. A28-A30)

23. After approving the final revised content of an exposed IVS, the SRB votes on whether there has been substantial change to the exposed document such that reexposure is necessary. An affirmative vote in accordance with the SRB's terms of reference that re-exposure is necessary is required to issue a re-exposure draft. The basis of the SRB's decisions with respect to re-exposure is recorded in the minutes of the SRB meeting at which the related project is discussed. (Ref: Para. A31-A32)

24. When an exposure draft is re-exposed, the basis of conclusions accompanying the re-exposure draft includes the reasoning for re-exposure and sufficient information to allow an understanding of the changes made as a result of the earlier exposure.

25. Where applicable, the SRB will set an effective date for the application of the final IVS and this effective date will be a minimum of six months after the date of publication. (Ref: Para. A33)

26. For each final IVS or revisions to IVS, the SRB issues a separate document explaining its basis for conclusions with respect to comments received on an exposure draft. (Ref: Para. A34)

Withdrawal of an International Valuation Standard

27. The SRB votes on the withdrawal of an IVS whether that withdrawal is due to the issue of a new or a revised IVS that incorporates or replaces the subject matter of the existing IVS or any other reason, in accordance with the by-laws.

Release of a Final International Valuation Standard

28. The senior staff member of the IVSC is responsible for informing the DPOC on what steps have been undertaken in order to meet IVSC due process requirements and the DPOC are responsible for advising the SRB on whether due process has been followed with proper regard for the public interest in the development of the final International Valuation Standard. (Ref: Para. A35-A36)

29. Before release of a final International Valuation Standard, the senior staff member of the IVSC obtains the approval of the DPOC as to whether due process has been followed with proper regard for the public interest. This process may involve the SRB taking further appropriate steps necessary in the circumstances should the DPOC express a negative conclusion about whether due process has been followed. (Ref: Para. A37)

Matters of Due Process

30. If an issue over adherence to due process is raised formally with the DPOC (other than an issue that is clearly frivolous or vexatious), whether by a third party or otherwise, the DPOC assesses the matter and seeks an appropriate resolution. The DPOCs' decision on the matter is communicated to the party raising the matter. The results of investigations of alleged breaches of due process are reported at a SRB meeting open to the public. (Ref: Para. A38)

Working Procedures

General

SRB and its associated board Meetings (Ref: Para. 1)

A1. Where practicable, the public session of the SRB and the Asset Boards physical meetings are broadcast over the Internet or recorded and archived on the IVSC website.

Meeting Agenda Papers (Ref: Para. 2)

A2. Physical public meeting agenda papers are published on the IVSC website ordinarily no later than one week in advance of each SRB and the Asset Boards public meetings. Draft public meeting minutes are published on the IVSC website after each SRB and the Asset Boards physical meeting.

A3. Public meeting agenda papers are retained on the IVSC website for at least three years from the date of the physical meeting. Final minutes are retained on the website indefinitely.

A4. Updated project summaries and public meeting highlights are posted to the website after each public meeting.

Project Identification and Prioritization (Ref: Para. 4)

A5. The IVSC's agenda consultation involves a formal survey of its key stakeholders to obtain views about issues that they believe should be addressed by the SRB and the Asset Boards in the immediate future.

A6. The development of the SRB's and the Asset Boards strategy and work program includes the issue of an agenda consultation for public comment, placed on the IVSC website where it can be accessed free of charge by the general public, for ordinarily no less than 30 days and no more than 90 days. The IVSC considers the results of the public consultation in formulating, as necessary, a revised strategy and work program.

A7. The IVSC's strategy reviews and consultations are not anticipated to be an annual process.

Project Commencement

Project Proposals (Ref: Para. 6)

A8. Project proposals are prepared by the SRB and the Asset Boards and identify the objectives of the project and explain how achievement of those objectives would serve the public interest.

Development of Proposed International Valuation Standards

Project Task Force (Ref: Para. 7)

A9. A project proposal includes any proposed assignment of responsibility for the project to the SRB or the Asset Boards. It addresses, where appropriate, specific areas of expertise or geographical representation that may be needed on the Asset Boards.

A10. The SRB identifies issues, and proposes recommendations, relevant to the development of the proposed IVS. These proposals are developed based on research and consultation, which may include: conducting research; creation of working groups, which may include external specialists; consulting with the IVSC's AF, practitioners, regulators, national standard setters, valuer and other interested parties; and reviewing valuation standards and best practice guidance issued by IVSC member bodies and other parties.

A11. The papers submitted by the Asset Boards to the SRB include confirmation that no other significant matters were discussed and agreed by the Asset Boards in particular in regard to a decision to exclude a significant matter from the proposed draft IVS.

A12. The SRB and its Asset Boards may carry out projects in cooperation, or conduct projects jointly, with a national standard setter(s) or other organisations with relevant expertise. In the case where a project is to be conducted jointly, a member of the SRB or Asset Board chairs, or co-chairs, the group. Where practicable, joint projects are conducted on a multi-national basis whereby two or more national standard setters or national organisations are involved in the joint project.

Public Forum or Roundtable, or Consultation Paper (Ref: Para. 8)

A13. In deciding upon the need to hold a public forum or roundtable or to issue a consultation paper, the SRB or the Asset Board considers whether the subject of the IVS, the level of interest within and outside the profession, the likely or actual existence of a significant and controversial divergence of views, the need for additional information in order to further the

SRB's deliberative process, or some other reason indicates that wider or further consultation would be appropriate.

A15. The outcome(s) of a public forum or roundtable, or the issue of a consultation paper, is summarized and reported to the SRB, as part of the SRB's public agenda papers, for purposes of the SRB's deliberation on the subject under consideration.

Proposed Draft International Valuation Standards (Ref: Para. 9)

A16. The SRB and Asset Boards recognizes the importance of appropriate liaison with other stakeholders such as the IVSC AF. The SRB and the Asset Boards proactively raise any amendments proposed in an International Valuation Standard to that may have implications for other Boards and Committees represented by the IVSC AF.

Approval of Draft International Valuation Standards (Ref: Para. 10)

A17. Where applicable, the SRB will set a proposed effective date for the application of the pronouncement as part of the exposure draft.

Public Exposure

Exposure Drafts (Ref: Para. 11)

A18. Notice of the issuance of exposure drafts is widely distributed to: regulatory bodies; and other organisations that have an interest in the IVS issued by the SRB; member organisations of IVSC; and the press. The SRB considers whether there are any additional broad stakeholder groups to whose attention a proposed pronouncement should be drawn.

A19. The explanatory memorandum may also direct respondents, including those representing specific constituencies such as developing nations, small- and medium-sized practices or the public sector, to aspects of the draft IVS on which specific comments are sought.

Exposure Period (Ref: Para. 12)

A20. Although the exposure period for a draft IVS will ordinarily be no shorter than 30 days and no longer than 90 days, a shorter or longer exposure period may be set when considered appropriate, but this is subject to DPOC approval. A longer exposure period may be set, for example, where complex or pervasive changes might affect translation or to make wider consultation possible. A shorter exposure period may be set, for example, where in the public interest there is a need to conclude on a matter more quickly, the exposure draft is relatively simple or short, or where the SRB and the Asset Boards decide to re-expose all or only part of a draft IVS.

Comments Received (Ref: Para. 13)

A21. The exposure draft and comment letters are made available for reference for SRB and Asset Board members at meetings in which the project is scheduled for discussion.

Consideration of Respondents' Comments on an Exposure Draft

Comments Received on Exposure (Ref: Para. 14)

A22. The responses, comments and suggestions received within the exposure period are reviewed and considered by the technical directors and the SRB and/or Asset Board(s), as applicable.

A23. Project agenda papers contain a cumulative summary of the significant decisions made by the SRB and/or Asset Board(s) on matters relating to the project, including its position on the significant issues raised in comment letters.

Deliberation of Significant Matters (Ref: Para. 15)

A24. The SRB and/or the Asset Board(s) do not enter into debate with respondents on individual comment letters. The staff may decide, however, to discuss a letter of comment with the respondent to seek clarification on a matter.

Interaction with the IVSC's Advisory Forum

Development of an International Valuation Standards (Ref: Para. 18)

A25. At key stages in the development of an IVS, the proposals are discussed with the IVSC's AF to provide an opportunity for insight to be gathered. The IVSC's AF is also afforded the opportunity to bring forward matters for consideration by the SRB and/or the Asset Board(s). Significant points arising in IVSC's AF discussions are included in the minutes of the meeting of the IVSC's AF.

A26. Regular updates are given to IVSC's AF by a representative of the SRB and the IVSC technical directors and, where appropriate, by a representative of the Asset Board(s), usually the Chair. *Report Back* (Ref: Para. 19)

Approval of an International Valuation Standard and Consideration of the Need for Re-Exposure

Adherence to Due Process (Ref: Para. 21)

A27. The senior staff member provides a written report from the DPOC in the agenda papers of the meeting outlining the basis for concluding whether due process has been followed with respect to actions up to the date of the meeting. In the event such a report is provided to the DPOC through email the DPOC will have 7 days to respond to the report by email to the senior staff member either accepting the conclusions in the report or highlighting any matters that the DPOC considers needs to be further evaluated prior to publication of the Standard.

A28. The senior staff member also reports to the SRB whether the DPOC considers due process has been followed during the meeting at which a final international pronouncement is approved for issue. The substance of this report is recorded in the minutes.

Approval (Ref: Para. 22)

A29. The approval for publication of IVS requires the approval of both the SRB and prior to that if applicable to a specific asset, that of the relevant Asset Board. A vote of approval for publication of IVS is by a simple majority of the whole SRB, and prior to this if applicable to

a specific asset, by a simple majority of the whole of the relevant Asset Board(s). If a Board member is unable to attend a meeting, he/she must provide a proxy vote in advance of the meeting to the senior staff of the IVSC.

A30. The results of voting, including dissenting votes and the reason(s) therefore, on the approval of the revised content of an exposure draft are recorded in the minutes of the meeting.

Re-Exposure (Ref: Para. 23)

A31. When an exposure draft has been subject to many changes, a summary comparative analysis is presented to the SRB. This analysis shows, to the extent practicable, the differences between the exposure draft and the proposed final IVS

A32. The senior staff member of the IVSC, in consultation with the Chair of the SRB and/or chair of the Asset Board(s), advises the SRB on whether a draft IVS, or part thereof, needs to be re-exposed.

A33. Situations that constitute potential grounds for a decision to re-expose may include, for example: substantial change to a proposal arising from matters not aired in the exposure draft such that stakeholders have not had an opportunity to make their views known to the SRB and or Asset Boards before it reaches a final conclusion; substantial change arising from matters not previously deliberated by the SRB and/or Asset Boards; or substantial change to the substance of a proposed IVS.

Effective Date (Ref: Para. 25)

A34. In setting the date for the application of an IVS, the SRB considers the reasonable expected minimum period of 6 months post publication for effective implementation, including the need for translation into national languages.

Basis for Conclusions (Ref: Para. 26)

A35. The document explaining the SRB's basis for conclusions is circulated to the SRB and the Asset Boards for comment and is issued after clearance by the Chair and senior staff member of the SRB. The issue of the document is not subject to voting approval by the SRB and therefore does not constitute part of the final IVS and is non-authoritative. It is retained for an indefinite period on the IVSC website.

Release of a Final International Valuation Standard

Adherence to Due Process (Ref: Para. 28)

A36. The senior staff member of the IVSC provides the DPOC with a written report prepared in conjunction with the SRB outlining the basis for the conclusion on whether due process has been followed.

Final Pronouncement (Ref: Para. 29)

A37. Subject to any concern received from the DPOC upon its review of due process applied in the development of the final IVS at its earliest meeting after receiving the report of the senior staff member, the final IVS, together with the separate document explaining its basis for

conclusions with respect to comments received on an exposure draft, will be posted to the IVSC website.

Matters of Due Process (Ref: Para. 30)

A38. The SRB reports annually on whether it has complied with due process during the period.