



International Valuation Standards Council

E-news

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Equity Derivatives Exposure Draft

The first planned series of Technical Information Papers (TIPs) on derivative valuation was published on 1 July. The Valuation of Equity Derivatives provides background information on main types of instrument and discusses the generally accepted models and methods used for their valuation and the principles on which they are based. The project has been led by Standards Board member Ana Castañeda, CEO of InterMoney Valora Consulting SA. Ana believes that the proposed TIP will help improve understanding of the instruments and of the processes involved in their valuation.



Ana explains: *“All companies that hold any sort of financial instrument need to value these in their accounts, and for banks and other financial institutions these valuations are also critical for regulatory compliance. However, while trillions of dollars of derivative contracts are in existence there is too little understanding of the principles that underpin their value. Our project is aimed at identifying generally accepted good practice and bringing greater transparency and trust to the process.”*

A copy of the Exposure Draft may be downloaded from [here](#). Comments are invited before 30 September.

Forthcoming Publication Alert

At its meeting in early June, the Standards Board considered the comments received on the Exposure Draft of the proposed updates to the IVS published in 2011. The Board approved a number of alterations to the IVS Framework, IVSs101-103, IVS 200, IVS 230, IVS 233 and IVS 300. Many of the changes are to clarify the application of the IVS to valuation reviews and the use of information provided to the valuer by others in the valuation process.

The revised standards will be available during July on [IVSonline](#). A bound hard-copy collection of all the currently approved standards is also to be produced and will be available in early September. The revised standards will be applicable from 1 January 2014, although earlier adoption is encouraged.

Forthcoming Conferences

IVSC Board members are speaking at a number of forthcoming conferences organised by IVSC

member bodies:

July 9 – Sir David Tweedie is giving the Keynote Address at the Institute of Chartered Accountants in England and Wales Valuation Group Conference in London, England. Please click [here](#) for more information.

11-12 July – Standards Board member Paul Hawkes will be speaking at a two day conference on FVA & DVA Practical Implementation in London. Please click [here](#) for more information.

July 23-25 – IVSC Standards Board chairman, Steve Sherman, and Board member, Tom Boyle, are speaking at the Appraisal Institute Annual Meeting being held in Indianapolis, USA. Please click [here](#) for more information.

September 18-20 – Sir David Tweedie is giving the Keynote Address at the International Conference on the Valuation of Plant Machinery and Equipment being held in St Petersburg, Russia. Please click [here](#) for more information.

October 10 – Sir David Tweedie and Technical Director, Chris Thorne, are speaking at La Compagnie Nationale des Commissaires aux Comptes valuation conference in Paris. Please click [here](#) for more information.

October 13-16 – IVSC Professional Board member, Chris Mercer, is speaking at the American Society of Appraisers 2013 Joint International Appraisers and Advanced Business Valuation Conference being held in San Antonio, Texas. Please click [here](#) for more information.

November 6 – a number of IVSC Board members will be speaking at the Asian Valuation Conference taking place in Tokyo immediately before the IVSC meetings. Further details will be published when available.

Dates for the diary

9 November 2013 – IVSC AGM, Tokyo

Meetings of the IVSC Professional Board, Standards Board and Advisory Forum will take place from Wednesday 6 to Friday 8 November.



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