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## Improving Valuation Practices in APEC

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### Background

- Valuations are central to decision-making in the global economy
- The public interest, economic growth and development of financial systems are impacted in a multitude of ways by valuations
- This critical role underscores the importance of high quality valuation standards and a credible valuation profession across all economies

## Today's Presentation

- The Place of Valuation
- The Valuation Framework
- The Challenges
- The Valuation Task Force
- Deliverables
- Today's Recommendation

3

## The Place of Valuation

Examples include:

- Prudential regulation of banking and insurance
- Taxation revenue
- Mergers and acquisitions
- Public-private partnerships
- Financial reporting
- Dispute resolution
- Compulsory purchase or dispossession

## **The Valuation Framework**

Defined by:

- Regulation and compliance
- Organisational infrastructure
- Access to information and disclosure
- Education and training
- Standards

## **The Challenges**

In order to promote region-wide convergence, there is the need to address:

- Alignment of standards for key asset valuations
- Fragmented professional landscape
- Regulatory recognition of the importance of quality valuation
- Absence of region-wide valuation profession infrastructure and benchmarks

## **The Valuation Task Force**

### Scope of work:

- Explore valuation landscape in Asia Pacific economies;
- Discuss model valuation architecture, associated best practice, the role of internationally accepted valuation standards and of VPOs;
- Record strengths, weaknesses and impediments to improving valuation practices and identify where need to develop and/or reinforce valuation infrastructure;
- Prioritise opportunities to enhance existing landscape and implementation challenges
- Outlines development process for member economies that lack valuation infrastructure

## **Deliverables**

The Task Force will make recommendations on:

- How the valuation profession can assist in developing and reinforcing the financial architecture of APEC economies;
- Requirements for:
  - Education and training of professional valuers;
  - Development of strong VPOs;
  - Region-wide convergence toward robust global valuation standards;
  - High ethical standards and codes of conduct;

## Deliverables

- Transparent regulatory frameworks;
- Access to transaction data and disclosure in public markets and private transactions;
- Formation of regional forums for real estate and business valuation promoting convergence toward international valuation standards;
- Contribution that strong, independent, harmonised and collaborative VPOs in APEC economies can make to enhancing valuation standards within each economy;
- Extent of legislative and regulatory support required to achieve high quality valuation outcomes across tangible and intangible property

## Today's Recommendation

*The Advisory Group recommends that APEC Finance Ministers encourage the public sector to collaborate with ABAC, the International Valuation Standards Council, valuation professional organizations (VPOs), experts from industry and other relevant bodies to **promote high quality valuation practices and professionals across member economies** through region-wide convergence toward robust global valuation standards and the development of sustainable VPOs as caretakers of professional standards, education and knowledge depositories.*

**Thank you**