

# THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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## Fourth Meeting 2014

5 November 2014

1:30 PM – 3:30 PM

Waldorf Ballroom, 2<sup>nd</sup> Floor, Waldorf Astoria Beijing  
Beijing, People's Republic of China

## Meeting Paper 6-A Promoting Sound Valuation Practices

International Valuation Standards Council

**PURPOSE** For information.

**ISSUE** Proposed way forward for the Advisory Group's work on promoting sound valuation practices in APEC

**BACKGROUND** At the Seattle 2014 meeting of the APEC Business Advisory Council (ABAC), it was agreed to recommend that APEC Finance Ministers encourage the public sector to collaborate with ABAC, the International Valuation Standards Council, valuation professional organizations (VPOs), experts from the 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.

The APEC Finance Ministers welcomed ABAC's proposal on building sound valuation practices.

**PROPOSAL** The IVSC has established an initial working group to move forward on three fronts: preparing an audit of the current valuation landscape in 21 APEC economies covering all asset classes; preparing a template of best practice; and planning workshops to assist APEC economies in identifying and adopting best practices as outlined in the template.

The working group has made good progress on item 1 and 2 above, and the working drafts from those efforts are attached for information. With regard to identifying and planning workshops the IVSC first intends to hold a Symposium in mid-2015, entitled: Valuation and its contribution to Economic Growth. The Symposium will be for APEC valuation experts and other key stakeholders in the APEC financial architecture and the proposed objectives of the symposium are to:

- share experiences of how valuation practices can contribute to economic growth; and
- share the results of the Audit and best practice template.

***DECISION  
POINT***

Agree on the proposed way forward.

## PROMOTING SOUND VALUATION PRACTICES

### UPDATE REPORT

At the Seattle 2014 meeting of the APEC Business Advisory Council (ABAC), it was agreed to recommend that APEC Finance Ministers encourage the public sector to collaborate with ABAC, the International Valuation Standards Council, valuation professional organizations (VPOs), experts from the 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.

The APEC Finance Ministers welcomed ABAC's proposal on building sound valuation practices. The International Valuation Standards Council (IVSC) has established an initial working group, chaired by Nicholas Brooke, Hong Kong, to move forward on three fronts:

1. Preparing an Audit: this will be a full description of the current valuation landscape of all 21 APEC economies, covering all asset classes.
2. Preparing a template of best practice: The template will describe various options for establishing best practice landscapes for valuation practices in varying economies.
3. Identify and start planning several Workshops for various APEC economies to assist those economies which would benefit most from identifying and adopting best practices as outlined in the template.

The working group has made good progress on item 1 and 2 above, and the working drafts from those efforts are attached for information.

With regard to identifying and planning workshops the IVSC first intends to hold a Symposium in mid-2015, entitled: *Valuation and its contribution to Economic Growth*. The Symposium will be for APEC valuation experts and other key stakeholders in the APEC financial architecture and the proposed objectives of the symposium are to:

- share experiences of how valuation practices can contribute to economic growth, and
- share the results of the Audit and best practice template.

The working group also held an IVSC Valuation Professional Organisation (VPOs) breakfast in Toronto in October where twelve VPOs and valuation standard setters from eight APEC economies were represented, including Vietnam, a potential pathfinder economy, from where three representatives of the Ministry of Finance were present.

The interim working group's next steps are to complete the collection of current audit data and verify inputs; and assimilate the information into an easily digestible form. For the template we will gather specific examples from economies of best practices for the five category frameworks. The working group aims that the audit and template will form a draft report to the APFF early in 2015 and the basis for the above mentioned Symposium in June.