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Implementação do International Valuation Standards (IVS) no Mundo -Apresentação de Pesquisa Mundial pela Associação Japonesa de Avaliação de Imóveis e algumas considerações sobre o resultado-

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RESUMO

Avaliação de patrimônios influenciam todos tipos de atividades sociais, privadas ou públicas. Nesse contexto, a norma de avaliação atua como importante infraestrutura social, colateralmente a norma de contabilidade. A globalização dos negócios e investimentos requiere uma medida uniforme para performances das empresas, o que levou a implementação da International Financial Reporting Standards (IFRSs) em muitos países. E, ao mesmo tempo, International Valuation Standards (IVS) tem aumentando sua presença como uma medida uniforme de valores de ativos. Porque a IVS é bem relacionada com a IFRS, essas duas medidas internacionais de infra-estrutura social estão em destaque.

Sob a comissão do Ministério da Terra, Infra-estrutura, Transportes e do Turismo (MLIT) do governo japonês, a Associação Japonesa de Avaliação de Imóveis (JAREA) realizou a pesquisa sobre o sistema de avaliação de imóveis e a implementação da IVS em 21 países e regiões do mundo em 2011.

Este trabalho apresenta os resultados de sua pesquisa e mostra alguns considerações sobre desafios necessário para os países não-ingleses e os países que tem desenvolvido seu sistema de avaliação próprio, como Japão e Brasil.

Palavras-chave: real estate, valuation, standards, IVS, IFRSs

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Implementation of International Valuation Standards (IVS) in the World **-Presentation of World Survey Report held by Japanese Association of Real Estate Appraisal and some consideration over the results-**

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ABSTRACT

Valuation of assets influences every kind of social activities; private and public. In this context, a valuation standard performs as an important social infrastructure, collaterally to an accounting standard. The globalization of business and investments has been requiring a uniform measure for enterprises' performances, which drove the implementation of International Financial Reporting Standards (IFRSs) in many countries. And at the same time, the presence of the International Valuation Standards (IVS) has been increasing as a uniform measure of assets' value. Because the IVS has well related to the IFRSs, these two international social infrastructure measures are now coming to the front.

Under the request of Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japanese government, the Japanese Association of Real Estate Appraisal (JAREA) surveyed about the real estate valuation system and the implementation of the IVS in 21 countries and regions in the world in 2011.

This paper presents its survey results and shows some consideration and necessary challenges for non-English countries and countries which has developed their own valuation system such as Japan and Brazil.

Palavras-chave: real estate, valuation, standards, IVS, IFRSs

1. INTRODUCTION

Valuation of assets influences every kind of social activities; private and public. In this context, a valuation standard performs as an important social infrastructure, collaterally to an accounting standards. The globalization of business and investments has been requiring a uniform measure for enterprises' performances, which drove the implementation of International Financial Reporting Standards (IFRSs)¹ in many countries. And at the same time, the presence of the International Valuation Standards (IVS)² has been increasing as a uniform measure of assets' value. Because the IVS has well related to the IFRSs, these two international social infrastructure measures are now coming to the front.

Although, among various types of assets to be valued, value of real estate is a reflection of local factors, such as local economics, regulations and markets. Therefore, many countries has developed their own local valuation standards. Those countries which have their own and well-developed valuation standards have been now confronting a difficulty to decide their position towards the IVS: convergence or adoption of the IVS or keep their own rule. Japan is one of such countries and Brazil also.

Under the request of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japanese government, the Japanese Association of Real Estate Appraisal (JAREA) surveyed about the real estate valuation system and the implementation of the IVS in 21 countries and regions in the world in 2011.

This paper presents its survey results and shows some consideration and necessary challenges for non-English countries and countries which has developed their own valuation system such as Japan and Brazil.

2. THE INTERNATIONAL VALUATION STANDARDS (IVS)

2.1. The International Valuation Standards Council (IVSC)

The history of the IVS dates back to the beginning of the 1980s. Because of the rapid economic changes took place in the 1970s, an importance of the professional property valuations was recognised by market participants. Also, the globalization of investment market underscored the need for internationally accepted standards for reporting property value. "It became obvious that without international valuation standards there was considerable potential of confusion. Differences of viewpoints among national professional valuation bodies might lead to unintentional misunderstandings (International Valuation Standards Committee, 2007, p.2)".

In response to those situation, discussions between representatives of the UK and US valuation profession in the late 1970s were made and led the founding of the International Assets Valuation Standards Committee (TASVSC) in 1981. The Committee changed its name to International Valuation Standards Committee (IVS Committee) in 1994. Since then, the IVS Committee developed and published the IVS. In 2003, the IVS Committee became a not-for-profit organisation incorporated in the USA. The IVS Committee, which was founded with a membership of twenty organisations, had grown by 2007 to include member organisations from

¹ The IFRSs comprise IAS, IFRS, IFRIC and SIC.

² In this paper, be noted that the abbreviation "IVS" includes General Standards, Asset Standards, Valuation Applications, Technical Information Paper, etc. Some uses IVSs for its abbreviation.

more than fifty countries. In those times, the IVS Committee was a committee of representatives of its member valuation organisations.

In October 2008, the Committee was reorganized as an independent body and the organisation's name was changed to the International Valuation Standards Council (IVSC).

According to their homepage, the objectives of the IVSC are to strengthen the worldwide valuation profession by:

- Developing high quality international standards and supporting their adoption and use;
- Facilitating collaboration and cooperation among its member organisations;
- Collaborating and cooperating with other international organisations; and
- Serving as the international voice for the valuation profession.

In pursuit of these objectives, the IVSC places paramount importance on protecting the public interest.

The organisation, with their headquarter in London, has three main bodies:

- Board of Trustees: an independent body responsible for the strategic direction and funding of the IVSC and for appointments to the Standards Board and Professional Board;
- International Valuation Standards Board (IVSB): standard-setting body of the IVSC;
- International Valuation Professional Board (IVPB): body to monitor the education, training and accreditation of valuers, and its activities.

2.2. The International Valuation Standards (IVS)

The IVS has been developed with several revision, reflecting the dynamism of the market and social tendency. Setting and revising the IVS is a history of discussion and forming consensus in valuation fields among professional valuers worldwide.

According to the IVSC homepage, “a major landmark was obtaining agreement to the definition and conceptual framework for market value in the early 1990s.”

“In 2000 the first set of comprehensive standards covering assets ranging from real property, businesses, intangibles and machinery and equipment was produced and these were regularly updated and extended” (IVSC homepage). The IVS received critical review and kept development. Despite such contribution of the IVS by the IVS Committee, its recognition was still limited.

“The market turmoil of 2007 and 2008 served to emphasise the need for the standards be more accessible and relevant to a much wider sector of the market than previously. A major new concern emerged with regard to the valuation of financial instruments. A lack of understanding not only of the risk profile of new or complex instruments but also of the valuation processes used for providing information to management, investors and prudential regulators was identified as a significant contributor to the problems that beset the financial markets (IVSC homepage)”.

With those new interests with an international tendency to adopt the IFRSs, the recognition of the IVS escalated dramatically. “The IVS have been adopted or recognised by many valuation institutes, user groups or financial regulators around the world (IVSC homepage)”.

The IVS has been revised under the new IVSC scheme. The IVSB posted the Exposure Draft of the new proposed standards in June, 2010. The Exposure Draft received the public comments and the IVSB held the Round Table Discussions in Hong Kong, London and New York. Done all those processes, the latest IVS was published on 19 July, 2011.

2.3. The IVS and the local valuation standards –convergence, adoption or maverick?-

Though the IVS came to be recognised widely and is now adopted in some countries, the IVS itself is not a regulatory standards until the standards setter officially adopt or admit the application of the IVS. Because, the IVSC is not a professional body, has no individual members. The adoption of the IVS and the mechanism of its adoption are completely depend on a decision of each country, thorough national valuation institutes, national valuation standards setters, regulatory authorities or government. And it is a fact that “many areas of valuation activity continues to be influenced by national legislations and that there may be a continuing need for guidance to be developed at the national level to meet these specific national requirements (IVSC, 2011, translate policy).

It have to be made clear that even though the IVSC has membership from more than 50 countries, it does not signify that the members adopt the IVS. Sometimes, the member institution is different from the standards setter of the country. For example, IBAPE (Instituto Brasileiro de Avaliações e Perícias de Engenharia) is a representative institution of Brazil to the IVSC, but the standard setter of Brazil is ABNT (Associação Brasileira de Normas Técnicas). Japan also. The JAREA is a representative institution of Japan to the IVSC, though the MLIT is a standards setter. Also, even the standards setter were a representative member, it doesn't mean that the standards setter admit the application of the IVS in its country.

The IVSC set its long-term goal of global adoption of the IVS in their entirety and without modification. But with considerations of the local problems written above, the IVSC encourages the convergence of local valuation standards to the IVS as a realistic solution.

For the local standards setters, many of them recognise the IVS as an unignorable social infrastructure to maintain competitiveness in international investment market. Therefore, it seems that many standards setters considers that make their way over to the IVS, such as adoption, conversion, or declare the consistency, is a necessary action in spite of keep the independent or local maverick standards.

3. WORLD SURVEY ABOUT THE IMPLEMENTATION OF THE IVS BY JAPANESE ASSOCIATION OF REAL ESTATE APPRAISAL (JAREA)

Japan has been aware of the rapid escalation of the worldwide IVS recognition in recent years. However, Japan has developed thier own valuation standards and established the mechanism of licensing the professional valuer by national law. Even more, there is a language problem. Therefore a simple adoption of the IVS in Japan was not be a viable solution.

Under these circumsmtances, the Japanese valuation standards setter, the MLIT, decided to study the globalization of valuation standards in 2010. The study was committed to the JAREA. The study project includes the consistency check of the IVS and Japanese standards, the survey about the implementation of the IVS in 20 counties and the survey of international valuation needs. In what follows, the survey outline and the result of implementation of the IVS in world is presented. The full survey result is attached in Annex.

3.1. The Survey Outline

Subject countries and region (hereafter, countries):

Japan, Korea, China, Hong Kong, Taiwan, Thailand, Malaysia, Indonesia, Philippines, Vietnam, India, Australia, United Kingdom, Italy, Russia, South Africa, U.S.A., Canada, Mexico, Brazil and Argentine.

(21 countries in total: 12 in Asia, 1 in Pacific, 3 in Europe, 1 in Africa, 3 in North America and 2 in South America. Among these, 8 are English country (including English as second official language), 13 are non-English country. 5 are members of G7, 15 are members of G20)

Survey methods:

Send questionnaires to local valuers. Some are done by direct interview to local valuers.

Survey items:

- (1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?
- (2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?
- (3) How many licensed real estate appraisers / valuers are there in your country?
- (4) How many appraisal / valuation companies (or offices) are there in your country?
- (5) What organisation published the valuation standards in your country?
- (6) How is your country interested in the IVS as the real estate valuation standards?
- (7) How further does the real estate valuation standard in your country conform to the IVS now? What are the differences between the valuation standards in your country and the IVS?
- (8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?
- (9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?
- (10) Do clients outside your country demand appraisal / valuation reports which fulfill the IVS? How do you solve the problem of differences between the valuation standards in your country and the IVS?

Survey period:

From December 2010 to February 2011.

Publishment of Survey result :

In March, 2011, via the MILT homepage³.

Note:

The survey results are totally dependent on the answers of questionees. Basically, those answers are not verified by third parties.

3.2. The Survey Result Summary

³ Available at: <http://tochi.mlit.go.jp/wp-content/.../2a6ebc480bbe129c7d5253c33520bfff.pdf>. Although, the report is available only in Japanese.

The brief summary of the survey result is shown in the following Tables. Table 1 shows valuation standards situation in surveyed countries.

Table 1: Valuation standards situation

Local standards situation	Number	Countries
Exist local standards	14	Japan, Korea, China (real estate valuation), Taiwan, Thailand, Malaysia, Indonesia, Philippines, Vietnam, Russia, USA, Canada, Mexico, Brazil,
Follow RICS ⁴ valuation standards	4	UK, Hong Kong, India, Italy,
No original local standards	3	Apply the IVS...Australia, South Africa Apply the UPAV (Union of Pan American Valuation)Argentina

14 countries have their own standards. Even though, its regulatory power differs. Some are set by government, some are set by private organisations. Also, it seems that the development level of standards varies among the countries. The RICS standards are being applied in several countries.

Table 2 shows the IVS status in surveyed countries.

Table 2: The IVS implementation status

The IVS implementation status	Number	Countries
Adoption of the IVS for entirety	2	Australia, South Africa
Converted or checked the consistency	12	1. RICS standards adopted countries: UK, Hong Kong, India, Italy, 2. Others: Japan (in real estate valuation), Malaysia, Indonesia, Philippines, Argentina, Russia, U.S.A., Canada
In convergence process (or translation published)	1	Taiwan
Scheduled to enter the convergence process	1	Brazil
Not converted yet, but be aware of the IVS	3	Korea, Thailand, Mexico,
Not converted yet, Nor be aware of the IVS	1	China (real estate valuation)
Local rules are not IVS compliant, but the IVS is broadly applied in practice	2	Vietnam, China (in business valuation)

- The total adoption of the IVS is done in 2 countries;
- The most popular status is the convergence of their local rules to the IVS or check the consistency. 12 countries already have declared or checked the equivalency or consistency

⁴ The Royal Institution of Chartered Surveyors

between their standards and the IVS⁵. (Japan, through the study held collaterally with this survey, the consistency is confirmed);

- 1 is in the convergence process;
- 1 is scheduled to enter the convergence process;
- 1 has non-IVS consistent local standards, but the IVS is broadly applied in practice;
- 3 countries are aware of the IVS, but are not in official convergence process nor officially scheduled to enter the convergence process;
- 1 is not in conversion nor be aware of the IVS.

As a summary, 16 of 21 countries surveyed is now adopt the IVS as national standards or have IVS consistent local standards or accept the IVS in practice.

1 country- Brazil- is scheduled to enter the convergence process.

4 counties which has not made an official convergence or not declared its consistency yet are Korea, Thailand and Mexico.

4. CONSIDERATIONS OVER THE RESULT AND THE IVS FUTURE

It is remarkable that all of the surveyed countries showed their interest to the IVS in some ways. The IVS adoption for its entirety was around 10% among the surveyed countries and 61% are considered to have IVS consistent local valuation standards or admitted the IVS application in practice. 10% is, or will be, in process of conversion.

The survey results demonstrate that the requirement to set the uniform measure for the assets value by the global investment market is widely recognised and the IVS is establishing its position as a benchmark standards. Beside the countries adopted the IVS, many countries converted their standards and is now announcing their consistency of the IVS.

The IVSC aims for the global adoption of the IVS for entirety. But there are many political and technical challenges to overcome to achieve this goal.

To adopt the IVS or not as national standards is a highly political decision. In many cases, amendment or revise of legislation might be required. Therefore, many countries choose to keep their local standards with consistency announcement.

As for technical challenges, obviously, language is an unavoidable barrier and disadvantage for non-English countries. To check the consistency of local standards and the IVS, to compare the basic concepts is a first and necessary step. And this is the most difficult step. To do this, an appropriate and comprehensive translation skill is required. For example in Japan, before we enter the discussion of equivalency between “market value” in the IVS and the “Seijyo Kakaku (the concept more rigid to the market value)”⁶ in Japanese standards, a term “basis of value” had to be discussed. Because, in Japanese standards, a term “type of value” is used. To check the consistency, the definition of those concepts must be discussed, and this cannot be done through the literal, superficial translation.

For countries who has developed their own standards and has their established approaches, technical challenges for convergence might require extra work. Brazil can be classified to such

⁵ Even though, a careful observation should be paid to check whether the local standards truly meet the IVS contents. Those results are declaration basis. The author is not responsible for the survey results.

⁶ The Seijo Kakaku in Japanese standards always meets the market value in the IVS, but the market value doesn't always meet the Seijo Kakaku.

categories. However, the IVS remains to the minimum contents, respecting the local practice under the same concept framework. In this context, the new IVS 2011 version is made practical.

Form requirements, such as minimum reporting contents, can be easily converted. There might not need difficult discussion compared to that of basic concepts and approaches. If the local standards is requiring less, then, to add the IVS requirements might be a good opportunity to mature the local standards.

Certainly, check the consistency and take a convergence process -if there were any unequivocal points- requires a considerable amount of time and brains. But it is an avoidable path for one country to keep their international competitiveness.

With the newly published IVS 2011, the convergence of valuation standards might carry forward even more. The convergence will facilitate the users of the valuation services for its comparability of assets value, and thus contribute the world economic development.

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Country	Japan	Korea	China
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	National certification (license), called as Licensed Real Estate Appraiser (LREA). Appraisal (valuation) practice of real estate is exclusively reserved to the LREA by law.	National certification, called as Property Appraiser.	*There are three different qualifications which treat valuation. Among those, China Real Estate Appraiser shows most similar feature to Japanese real estate appraiser. This question is fulfilled regarding to China Real Estate Appraiser. National qualification. It is admitted a exclusivity on valuation of real estate, complex of land and buildings.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	The Ministry of Land, Infrastructure, Transport and Tourism (MLIT).	The Ministry of Land, Transport and Maritime Affairs	The Ministry of Housing and Urban-Rural Development and The Ministry of Human Resources and Social Security jointly execute the exam annually. Who has passed the exam must be registered at local Administrative Office of Construction of State Council to start work.
(3) How many licensed real estate appraisers / valuers are there in your country?	approx. 5,100.	approx. 2,500	41,050 (accumulated number of who passed the exam, until 2010)
(4) How many appraisal / valuation companies (or offices) are there in your country?	approx. 3,300.	approx. 1,200	approx. 5,200
(5) What organization published the valuation standards in your country?	The Japanese Real Estate Appraisal Standards (the Japanese Standards) are published and promulgated by the MLIT, on the basis of the advice provided by the National Land Development Council. The Japanese Standards were first established in 1964, with several revision.	The Ministry of Land, Transport and Maritime Affairs published standards according to the Act on Public Notice of Real Estate Price and the Property Appraisal.	China Institute of Real Estate Appraisers and Agent (CIREA) write the standards under the Ministry of Housing and Urban-Rural Development. The Ministry ratifies the standards and issues it jointly with Certification and Accreditation Administration of the People's Republic of China.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	The Accounting Standards Board of Japan (ASBJ) has decided to resolve all inconsistencies between the current Japanese Accounting Standard and the IFRS by 2011. Due to such movement in accounting industry, the concern over the IVS is growing also among LREA. The MLIT and Japanese Association of Real Estate Appraisal (JAREA) established IVS Study Project Team in 2010. Its mission is as follows: (a) Study compatibility between the IVS and the Japanese Standard (check consistency and dissimilarity) (b) Survey about IVS implementation situation in overseas (c) Survey about demand of foreign language valuation report and the IVS compliant report in Japan	The IFRS was translated into Korean in 2007 (K-IFRS). Its application started as voluntary, but a total adoption is scheduled for 2011. Due to the K-IFRS adoption, the interest to the IVS is growing, but the convergence or adoption in valuation fields is running slow.	There are 3 industry sections according to the valuation fields. 1) Real estate valuation industry: valuers whose subject is land and buildings. 2) Land valuation industry: valuers whose subject is land only. 3) Asset valuation industry: Valuers whose subject is companies' assets. Among those 3 industries, the Asset valuation industry implement the IVS positively. The valuation needs of other two industries are limited to the domestic ones and they show no special concern on the IVS.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	While IVS cover all kind of assets such as personal property, intangible assets, financial assets, etc., the current Japanese Standards aim at real estate as its subject. On this point, the Japanese standards are limited in relation to IVS. Regarding to the real estate valuation, its consistency to the IVS in basic concepts and valuation methods is admitted by a comparative study for two standards.	On the contrary to the K-IFRS implementation in progress, a convergence between Korean Valuation Standards and the IVS are running slow and there has not made any changes to the Korean Standards. There are some movements, such as translation of the IVS.	The IVS is composed as a subject of national examination of asset valuers, which is executed annually. Therefore, the IVS is well known and fixed among the asset valuers.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	There is a certain consensus that globalization is necessary in the valuation industry in the MLIT and the JAREA. The MLIT made the study of IVS to check the compatibility and consistency between the Japanese Standards and IVS, but has not shown any orientation nor opinion about the convergence nor adoption of IVS.	There is an increasing attention over the IVS, due to the K-IFRS adoption. And a future necessity of implementation of the IVS is a dominant recognition. However, any movement for standard revision or adoption remains uncertain. There are concerned voices about the consistency between the IVS and the Korean standards.	see (6).
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	Foreign clients are less than 10% at the moment, but they are increasing gradually. It is expected that the valuation demand related to the IFRS will increase in the near future.	N/A	The valuation demand from overseas is small yet. European or American real estate companies treat valuation need accompanied by large investment from overseas. The credibility and liability for local valuers is not enough yet. But the demand by foreign companies who has business in China is increasing.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	In general IVS compliant report request is increase. However, there is no clear instruction by the MLIT nor by the JAREA how to treat the incompatibility between the Japanese Standards and IVS.	N/A	There are IVS compliant reports needs by multi-national companies and many asset reports states that "IVS compliant". Although there are't any discussion nor comparison study between the IVS and the Chinese Standards in those reports.

Country	Hong Kong	Taiwan	Thailand
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	Fully qualified valuers are encouraged to register at Government to become a Registered Professional Surveyor (RPS). Although, the registration is not compulsory.	National certification under the Real Estate Appraisal Law.	Not a national certification. The Valuers Association of Thailand (VAT), privately established organization, certifies a one with certain skills as a valuer.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	The Hong Kong Institute of Surveyors (HKIS) The Royal Institution of Surveyors (RICS) Valuers holding either of these two designations can carry out valuation works in HK. They are not necessary to be a RPS.	Department of Land Administration of Ministry of Interior (MOD).	The Valuers Association of Thailand (VAT). (There is another organization called "Thai Valuation Association")
(3) How many licensed real estate appraisers / valuers are there in your country?	1,645 HKIS fully qualified valuers (as of 30 September 2010). 699 RPS valuers (as of 31 October 2010).	Approx. 264 (as of 31 December, 2010).	VAT: approx 1,000 at level 3.
(4) How many appraisal / valuation companies (or offices) are there in your country?	approx. 75	approx. 115 (as of 3 December, 2010).	approx. 120
(5) What organization published the valuation standards in your country?	In general, valuations and appraisals are carried out in accordance with, where appropriate, the HKIS Valuation Standards on Properties or the RICS Valuation Standards.	Department of Land Administration of Ministry of Interior (MOD).	The VAT issues Valuation Standard for Thai valuers. Similarly named Thai Valuation Association also had their standards but now both work together to some extent.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	Generalaly the HKIS Valuation Standards are applied. Some applies the RICS Valuation Standard. Both the HKIS and the RICS are members of the IVS and all these three standards are consistent.	The Taiwanese accounting industry is building concensus about the total adoption of the IFRS in 2013. Due to such accounting industry movements, the valuation industry started the convergence of the valuation standards. The Chinese Institute of Land Appraisal has published the traditional Chinese edition of the IVS 2007 in April 2010. The discussinon how to react the requirement of the IVS and the IFRS is being carried. Theconcepts of market value and fair value is one of the discussion points.	The IVS is not used officially. But there are opinions that Thai should incorporate and use the IVS.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	Basically they are consistent.	The Taiwanese valuation standards focuses on real estate valuation and doesn't mention personal property, business and intangible asset. However the unit of code of conduct, property type and Valuation Standards of the IVS is useful.	Basically, similar.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude(or willing to) conforming and accepting of the IVS in the future?	Yes. It is important that the appraisals done in HK and China are recognized internationally, particularly in the communication with international corporations and institutional investors.	The government and appraisers are interested in the IVS and influenced by the IVS, but it is far to modify the regulation to conform to the IVS.	Yes. We should have one standard for the whole world except if there are some unique feature.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	N/A	Less than 10 percent now, but because of the IFRS application, it might increase in the future.	Less than 10%.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	See (6).	There are demands. The Taiwanese valuers holds seminars to discuss "the IVS and the IFRS: the international impact on real estate appraisal" and fair value to stimulate their understanding.	Maybe some.

Country	Malaysia	Indonesia	Philippines
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	National certification. The one who has registered at the Board of Valuers, Appraisers and Estate Agents under the Ministry of Finance.	National certification. Registered at the Ministry of Finance.	National certification.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	The Board of Valuers, Appraisers and Estate Agents under the Ministry of Finance.	The Ministry of Finance (Kementerian Keuangan) But Real estate appraisers must be regular members of Masyarakat Profesi Penilai Indonesia (MAPPI (Indonesian Professional Appraiser Association)) .	The Professional Regulation Commission
(3) How many licensed real estate appraisers / valuers are there in your country?	824 registered valuers (as of 1 Jan. 2011).	296 licensed appraisers registered at the Ministry of Finance (as of 1 Jan. 2011) .	more than 500.
(4) How many appraisal / valuation companies (or offices) are there in your country?	101 registered valuation firms (as of 1 Jan. 2011).	106 companies registered in the Ministry of Finance (as of 1 Jan. 2011) .	483 (including firms in suspension).
(5) What organization published the valuation standards in your country?	The Board of Valuers, Appraisers and Estate Agents under the Ministry of Finance publishes the Malaysian Valuation Standards (MVS) .	The MAPPI issued the standards but acknowledged by the government.	The Department of Finance (DFC), The Bureau of Local Government finance (BLGF) .
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	Malaysian valuers have adopted the IVS for many years and are currently revising the MVS (which had been in force since 1987, in English) in response to the changes in the IFRS which are mostly adopted by the Malaysian Accounting Standards Board though with some changes to suit local conditions.	The Indonesian Standards (SPI) follows the IVS. Indonesia adopts the IFRS since 1995 and consequently, SPI has taken the context of the IVS. But the MAPPI does incorporate the local context within the standards. All practicing licensed valuers would have to follow the valuation standards.	The Philippines Standards refers the IVS and well adapted in practice.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	idem (6)	idem (6)	Basically the Philippines Standards and the IVS are consistent, but there are some difference in terms definition.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	There is a Malaysian in the IVS Board and he is also a member of the Malaysian Board of Valuers and a member of the Standards Committee looking into revising the Malaysian Valuation Standards.	Indonesian valuation industry are aware of globalization due to the international firms activities. And therefore, the SPI has written and revised referring the IVS.	The legislative bill "Valuation Reform Act", which intended to adopt the IVS didn't pass the Congress. As a result, the application of the IVS is limited in Philippine.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	N/A	N/A	No exact information. Foreign capital firms treat clients from overseas.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	N/A	N/A	Clients from overseas require the RICS valuation standards compliant report. The Philippines standards are almost consistent with the IVS.

Country	Vietnam	India	Australia
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	National certification: Mortgage / banking Valuers are members of the Vietnamese Valuers Association (VVA). The VVA is a non-governmental organization, but supported by the Ministry of Finance. Not a national certification: Financial Analysts completing investment valuations and feasibility studies are not members of the VVA.	There is a national certification under Wealth Tax Act, but it is not obligatory to obtain the certification for who practice valuation as professional.	Each state in Australia has its own laws regulating practice as a real estate valuer. The state governments of New South Wales, Queensland and Western Australia require valuers to be registered in order to practice as a valuer. The Australian Property Institute (API) issues certification for valuers (Certified Practising Valuers) in all states of Australia after fulfilling the education and work experience requirements.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	The VVA is non-governmental but the VVA membership is authorized via examination under the auspices of the Ministry of Finance.	see (1)	All valuers need to complete a certified degree course at University in their respective states in Australia. Upon completion of their university degree, they are to obtain 2 years experience in valuation before they are eligible to become an Associate of the Australian Property Institute and Certified Practising Valuer.
(3) How many licensed real estate appraisers / valuers are there in your country?	Approx. 1,000 VVA authorized. Many Valuers completing major investment assessments are members of overseas organizations such as the ICS or the API.	approx. 20,000 (include valuers registered by government).	Approx. 7,500
(4) How many appraisal / valuation companies (or offices) are there in your country?	Approx. 50 authorized in total, maybe 10 major companies and 5 international firms.	N/A	approx. 2,000
(5) What organization published the valuation standards in your country?	The Ministry of Finance / The Vietnam Valuers Association	Exist the Indian Standards according to the Wealth Tax Act, but it is not used. There is no entity which issues the standards which valuers follow. Many private companies practice valuation compliant to the RICS Valuation Standards.	The Australian Property Institute publishes the valuation and property standards in Australia.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	Clients of international valuation firms require the IVS: the Vietnamese standards are insufficient to satisfy large companies reporting requirements.	The IFRS will be adopted in coming year, then therefore, concern about the IVS is increasing.	For property professionals in Australia there has been an increasing shift towards the IVS. The IFRS are now formulated in fullconsultation with representatives of the International Valuation Standards Committee (IVSC) and there is now the practical requirement to be aware of the IVS. The API is a strong supporter of and has played an active role in the work of the IVSC.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	International valuation firms do all assessments to the IVS, domestic standards are OK for a limited amount of work.	The standards under the Wealth TAX ACT is not compliant with the IVS in many aspects. There is no local standards beside.	The latest edition of the Australian Property Institute Valuations and Property Standards Manual adopts the International Standards and Guidance Notes of the IVSC in their entirety. Where there are departures or differences in application in Australia, an appropriate note has been included in the IVSC documents in the manual. Very few departures are included in the current edition of the manual.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	Yes, they will as competition increases. Most of them already use the IVS as an informal benchmark standard.	Not aggressive.	Australian valuers have conformed and accepted the IVS in an era of globalisation which has been assisted by the IVS being incorporated into Australian Valuation and Property Standards.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	Approximately 50%, including joint venture and feasibility studies.	more than 50% (include foreign capital and multinational companies)	About 15% now, but the demand from overseas countries, particularly in Asia, is increasing.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	Foreign clients demand report compliant to the IVS.	Valuation compliant with the RICS and the IVS is required by clients. American and European capital companies meet those needs.	Clients outside Australia request valuation reports which fulfil the IVS. As the Australian Valuation and Property Standards reflect the IVS there are minimal problems of differences.

Country	United Kingdom	Italy	Russia
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	Not a national certification. The Royal Institution of Chartered Surveyors (RICS) publishes the RICS valuation Standards (Red Book) and members and fellows of RICS entitled valuation surveyor practice the valuation.	No specific certification in Italy. Engineers, architects, agronomics, accountant practice valuation. According to the Real Estate Fund Act, external valuers must be registered to a governmental professional entity. Although, this professional entity is not specified. Many valuers are member of RICS. (non-national certification).	In order to issue appraisals that are valid within the Russian Federation, each officially operating appraiser has to maintain membership in one Self Regulated Organization (SRO). Appraisals are no longer being issued by faceless legal entities, but by individual appraisers who are personally responsible for the proper development and clarity of the work. Although similar to the type and amount of responsibility carried by appraisers in the United States, for Russia, it is a completely new concept.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	RICS (established in 1881)	see (1).	Self-regulated organizations (SROs)- private associations of professional appraisers- now bear the responsibility for enforcing the professional competence and practice standards of their members. To qualify as an SRO, a nonprofit organization must have at least 300 individual appraiser members who hold the minimum appraisal training and education required by the law. Each member must pay a minimum of 30,000 rubles (or US\$1,000) to a "compensation fund," which is to be maintained by the SRO and may be used to pay potential claims from future clients. This mechanism encourages both the individual appraisers and their SRO to reduce risk by advancing the member professional standards to higher levels that are uniform across their activities. SRO Russian Society of Appraisers http://www.srooo.ru/
(3) How many licensed real estate appraisers / valuers are there in your country?	approx. 150,000 (FRICS and MRICS are approx. 100,000) FRICS: Fellow of RICS, MRICS: Member of RICS	N/A	Approx. 15,000
(4) How many appraisal / valuation companies (or offices) are there in your country?	N/A	Approx. major 10 valuation companies (7 foreign capital, 3 domestic). There are many autonomy.	Approx. 8,000.
(5) What organization published the valuation standards in your country?	RICS. The RICS Valuation Standards (Red Book).	No specific Italian Standards. (many follow the RICS standards).	In 2007, the original standards were replaced with the present-day Federal Valuation Standards (FSO 1, FSO 2, FSO 3) promulgated by the Ministry for Economic Development. Moreover, unlike the toothless standards they replaced, the new standards impose a significant compliance burden to the point that valuations done in conformity with the IVS may violate FSOs and vice versa.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	The RICS is one of the establishing body of the IVSC. The Red Book incorporate the IVS, and state and demand more rigid contents than the IVS.	Increasing concern on the IVS, because the IVS covers many types of assets.	National standards were ostensibly prepared "having regard to the IVS". However, the international standards were honored more in breach than observance. Moreover, unlike the toothless standards they replaced, the new standards impose a significant compliance burden to the point that valuations done in conformity with IVS may violate FSOs and vice versa.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	The Red Book is IVS compliant.	see (1).	See the answer above.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	The Red Book is IVS compliant.	Professional valuers are concern on IVS.	It is hard to see any justification for this compliance dichotomy. The developers of the FSOs claim that departures from IVS were necessary in order to safeguard the national interest. However, jurists who concerned themselves with developing the 2007 FSOs interpreted the national interest in pure legalistic terms, as the obligation to comply with the extant legal terminology, and failed to factor in the economic dimension of problems and peculiarities in the national markets.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	N/A	Depends on the companies.	Depends on the company. Foreign capital companies have higher percentage of foreign clients. No official information in Russia Total.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	Red Book is IVS compliant.	Clients from overseas requires international valuer and RICS compliant report.	In European countries, some uses of appraisals do require the use of a specific standard, usually the one specified by the local appraisal regulatory authority. These uses can include registration of a company's charter capital, tax reporting, sale of state property, or use of government-insured funds for lending.

Country	South Africa	USA	Canada
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	Not a national certification. But the Property Valuers Profession Act 2000 established the South African Council for the Property Valuers Profession (SACPVP) and the SACPVP execute the examination to be a Professional valuer and register who passed the exam. This registration is obligatory to practice as a professional valuer in South Africa.	Exist state license and certification by private organizations. (2 private organizations are members of the IVSC). Basically, valuation is not an exclusive for those licensed or certified, but some valuation requires state license.	There is no national licensing law dealing with appraiser certification or licensing, regulation of professionals is the responsibility of the provinces in Canada. Four provinces maintain some form of appraiser regulation - New Brunswick, Nova Scotia, Quebec and Alberta.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	SACPVP : South African Council for the Property Valuers Profession	State license: Appraiser Qualifications Board (AQB) in The Appraisal Foundation (TAF (non-governmental)) issues the state license. TAF is under supervision of The Appraisal Subcommittee (ASC); governmental entity. Certification: each private entities grant its designation.(Ex. MAI by AI (Appraisal Institution)).	The main appraisal organisation in Canada is the Appraisal Institute of Canada (AIC). It grants two designations, the AACI (Accredited Appraiser Canadian Institute) to generally qualified appraisers, and the CRA (Canadian Residential Appraiser) to appraisers qualified only to appraise individual residences and buildings up to four units. It establishes standards for appraisal that are recognised nationally and internationally. Beside the AIC, there are another entities of residential valuation, such as L'Ordre in Quebec, The Real Estate Institute of British Columbia, CENAREA.
(3) How many licensed real estate appraisers / valuers are there in your country?	SACPVP : approx. 2700.	State license: approx. 80,000. Member of AI (25,442 as of 2009) Exist another private entities, such as American Society of Appraiser (ASA)	The AIC: approx. 4500 members. The four provinces that regulate appraisers might license approx. 1000 to 1200 appraisers. Some people practise appraisal and do not belong to any professional organisation - property tax assessors, for example, and valuers that negotiate rights-of-way and easements. There are also people in fields such as Banking, Forestry and Business Enterprise Valuation that develop value estimates for real estate. An estimation that the total number of people who earn a living from appraisal/valuation would total 8,000 to 9,000.
(4) How many appraisal / valuation companies (or offices) are there in your country?	N/A	N/A	N/A (An estimate would be 1,000).
(5) What organization published the valuation standards in your country?	SACPVP	ASC (see (2) above) issues Uniform Standards of Professional Appraisal Practice (USPAP). The USPAP include valuation of personal property and business.	The AIC publishes the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). These are widely recognised but not mandatory in all jurisdictions.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	SACPVP adopts the IVS as national standards. Although other valuation standards, such as the RICS valuation standards, widely used in SA for a long time, are not excluded. As of February 2011, it is recognised that it is a time of transition from those standards to the IVS.	The USA has been participating the IVS since its establishment and the IVS and the USPAP are considered equivalent. There is no statement about the IVS in USPAP, but the TAF support the IVS.	The AIC has reviewed the IVS and amended the CUSPAP to ensure that its members can produce real estate reports and services that comply with the IVS by following the CUSPAP.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	Even the IVS is adapted, some adjustment is necessary for local issue. Therefore, a study committee is planned to be set in SACPVP. South Africa holds 2 non-governmental valuation organization long before the establishment of SACPVP. One is the SAIV: South African Institute of Valuers (approx. 1500 members) and the RICS South Africa (approx. 450 members). SAIV has adapted the IVS as national standards and the RICS adopts the RICS valuation standards.	The Madison Agreement in 2006 agrees the convergence between the USPAP and the IVS. There are difference between the two standards, but there is no conflict. For example, the IVS has statements related to the IFRS, but the USPAP doesn't. The TAF affirms that USPAP is an american standards and is not the same as the IVS, but the basic element are equivalent and if anyone practice valuation reaches to the same value following either standards.	See (6) above. IVS is only relevant to assignments for publicly traded and certain other entities. An appraiser in Canada can comply with IVS by following CUSPAP.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	Already adapted the IVS.	Valuers also recognize the consistency between the USPAP and the IVS. Appraisers must comply with the USPAP in the US. Private organizations such as ASA and AI recommend its members to comply the IVS for valuations of property outside the US.	See (6) above. The IVS is only relevant to assignments for publicly traded and certain other entities. An appraiser in Canada can comply with the IVS by following CUSPAP.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	N/A	N/A	N/A.
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	No problem occurs because the IVS is adopted. Who follow the RICS standards also don't have any problem because the RICS standards are IVS compliant.	see (8).	International entities have no difficulty in obtaining valuation or appraisal services that comply with the IVS, at least to the extent that they request such from designated members of the AIC.

Country	Mexico	Argentina	Brazil
(1) Are real estate appraisers / valuers certified (or licensed) as national certification or non-national certification in your country?	National certification. Only who has a national certification are allowed to practice valuation by law.	No specific certification on valuation practice.	Not a national certification. Legally, members of Regional Council of Engineering, Architecture and Agronomy (Conselho Regional de Engenharia, Arquitetura e Agronomia (CREA)) can practice valuation of each field.
(2) What organization gives appraisers / valuers the qualifications for real estate appraisal / valuation in your country?	National Banking and Securities Commission (CNBS): For internal valuation by banks in Mexico. National Secretary of Treasury (SHCP): For valuations for public and private sectors. Institute of Administration and Valuation of National Assets. (INDAABIN (former name: CABIN): For valuations of governmental assets.	Architects and engineers practice valuation.	As written in (1), being a member of CREA is a legal requirement. Brazilian Valuation Institute (Instituto Brasileiro de Avaliações e Perícias de Engenharia (IBAPE)) is an organization of professionals who are specialized in valuation among CREA members. Being a member of IBAPE is not a legal requirement to be a valuer, but can obtain a certain credibility socially.
(3) How many licensed real estate appraisers / valuers are there in your country?	N/A	N/A	Approx. 3,000 (IBAPE members)
(4) How many appraisal / valuation companies (or offices) are there in your country?	N/A	Approx. 20, including real estate agents which has a valuation service.	N/A
(5) What organization published the valuation standards in your country?	CNBS, SHCP, INDAABIN. See (2).	No specific organization to issue valuation standards. Argentinian Valuation Institute is a member of the Union of Pan American Valuation (UPAV) and follow its standards. The UPAV support the IVS since 2002.	Brazilian Association of Technical Norms (Associação Brasileira de Normas Técnicas (ABNT)) NBR No.14653 is a valuation standards.
(6) How is your country interested in International Valuation Standards (IVS) as the real estate valuation standards?	The Mexican standards are out of date and it may appear not to fulfill the clients' needs. There are some opinions that IVS is the goal for globalization.	Valuation companies whose clients are multinational practice IVS compliant valuation under clients' request.	Application of the IFRS is obligatory for listed companies. Therefore, the necessity of consistency between the IVS and the Brazilian Standards is recognized.
(7) How further does the real estate valuation standard in your country conform to IVS now? What are the differences between the valuation standards in your country and IVS?	General concepts, principals and methodologies are consistent. 3 approaches are applied in valuation practice also. There is a difference between the Mexican standards and IVS on conciliation of estimated value. As mentioned at (6), the Mexican standards are outdated and doesn't fulfill the clients request.	The part of real estate valuation of the UPAV standards are almost equivalent to that of the IVS.	Brazil has developed its own local standards. Therefore, an adoption of the IVS instead of the Brazilian standards is not a major movement. The ABNT is studying to revise the Part 1 of Brazilian standards, where treat the general concepts and principals, to have consistency with the IVS.
(8) Will real estate appraisers / valuers in your country take an aggressive attitude (or willing to) conforming and accepting of the IVS in the future?	Mexican valuers, who are under international competition, are aware of the IVS necessity.	It doesn't seem to be aggressive.	As written in (7), to hold a consistency with the IVS in general concept and principal, and to keep the local rules in other parts, such as methodology and applications is the movement.
(9) What percentage of the entire business of appraisal / valuation does the demand from foreign countries account for in your country?	N/A	Maybe around 20%	N/A
(10) Do clients outside your country demand appraisal / valuation reports which fulfill IVS? How do you solve the problem of differences between the valuation standards in your country and IVS?	Most of the foreign clients are from the USA and require USPAP compliant reports.	There is no remarkable difference between the UPAV standards and the IVS.	N/A