



INTERNATIONAL VALUATION STANDARDS COMMITTEE

**MINUTES OF THE 25th ANNUAL GENERAL MEETING
HELD IN BEIJING, P.R. CHINA
ON 26 SEPTEMBER 2006**

PRESENT

Joe Vella	IVSC Chairman
Robert Connolly	Australian Property Institute
Brad Wagar	Appraisal Institute of Canada
Liu Ping	China Appraisal Society
Jerry Zhang	China Appraisal Society
Chen Minghai	China Appraisal Society
Ahmed R H Anis	Egyptian Association of Real Estate Appraisers
Raymond Trotz	Verband deutscher Pfandbriefbanken (vdp) e.V.
Michael Schlarb	Bunderversband der Immobilien-Investment, Sachverständigen e. V Germany
Kam Kuen Chiu	Hong Kong Institute of Surveyors
Anup A Mohabansi	Practising Valuers Association (India)
Khadizhat Uvaisova	Chamber of Professional Appraisers of Kazakhstan
Mariya Barnayeva	Chamber of Professional Appraisers of Kazakhstan
Kestutis Kristinaitis	Lithuanian Association of Property and Business Valuation Enterprises
Gray Nthinda	Surveyors Institute of Malawi
Elvin Fernandez	Institution of Surveyors, Malaysia
Aart Hordijk	ROZ, The Netherlands
Richard Chung	New Zealand Property Institute
Arne Stobakk	Norges Takseringsforbund
Albano Meneleo	IPREA, The Philippines
Anghel Ion	The National Association of Romanian Valuers
George Badescu	The National Association of Romanian Valuers
Igor Artemenkov	Russian Society of Appraisers
Andrey Poletaev	Russian Board of Appraisers
Dusan Zupancic	The Slovenian Institute of Auditors
Leandro Escobar Torres	ATASA, Spain
Agneta Jacobsson	SFF, Sweden
Chris Thorne	RICS, UK
Brian Glanville	Appraisal Institute, USA
Vern Blair	American Society of Appraisers
Nghiem Quang Hien	Price Control Dept, Min. of Finance, Vietnam
Vu Van Moi	Price Control Dept, Min. of Finance, Vietnam

OBSERVERS

Jeannine Brooks	The Canadian Institute of Chartered Business Valuators
Laurent Despres	The Canadian Institute of Chartered Business Valuators
Jose A Damole	IPREA, The Philippines
Flora M Ruis	IPREA, The Philippines

Joselito C Caballero
Rene N Carreon
Abelardo S Garcia
Marina Fedotova

Alena Verkhovzina

Dmitriy Isaev

Danijela Ilic
Lee Hackett
Nguyen Thi Thuy Nga
Bui Thi Kim Dung
Dinh Thi Nuong
Le Thi Dieu Thuong
Dao Ngoc Thuan
Pham Huynn Nhung

Pham Minh Tuan
Nghiem Quang Hien
Vu Van Moi
Ho Ngoc Tuan

IPREA, The Philippines
IPREA, The Philippines
IPREA, The Philippines
Self-Regulating Inter-Regional Association of Appraisers, Russia
Self-Regulating Inter-Regional Association of Appraisers, Russia
Self-Regulating Inter-Regional Association of Appraisers, Russia
National Association of Valuers in Serbia
The Appraisal Foundation, USA
Price Control Dept., Min of Finance, Vietnam
Price Control Dept., Min of Finance, Vietnam
Price Control Dept., Min of Finance, Vietnam
Price Control Dept., Min of Finance, Vietnam
Vietnamese Valuation Association
Southern Information and Valuation Company, Vietnam
Vietnamese Valuation Association
Price Control Dept., Min of Finance, Vietnam
Price Control Dept., Min of Finance, Vietnam
Vietnamese Valuation Association

IN ATTENDANCE

Michael Milgrim
Marianne Tissier

IVSC Technical Writer
Executive Director, IVSC

1. OPENING REMARKS

- 1.1 The Chairman welcomed all delegates to the meeting. The meeting attendees showed their appreciation by giving applause to the China Appraisal Society which had hosted the IVSC meetings.
- 1.2 The Chairman read a welcome address by Mr Zhu Zhigang, Vice Minister, Ministry of Finance, P.R.C. and President, China Appraisal Society, who was unable to attend the meeting.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Akin Olawore (Nigeria).

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the Annual General Meeting held in Rio de Janeiro, Brazil on 30 October 2005 were approved by the meeting.

4. REPORT OF THE CHAIRMAN

- 4.1 The AGM received the report of the IVSC Chairman circulated as Attachment 2 to the agenda. In an oral presentation, the Chairman commented that the last 12 months had been a period of remarkable activity for the IVSC with the most significant developments being the meeting between IVSC and FASB and the signing of the 'Madison Agreement' between the IVSC and The Appraisal Foundation.

- 4.2 Ahmed Anis requested that the Egyptian Association of Real Estate Appraisers be consulted on the proposed translation of IVS 2005 by the Arab Society of Certified Accountants.

5. FINANCIAL REPORT

The Chairman spoke to Attachment 3.

Draft Audited Statements - years ending March 31, 2005 and 2006

- 5.1 The Chairman reported that the draft audited statements had been reviewed by the Management Board who recommended their adoption.

MOTION: It was MOVED, SECONDED and CARRIED

“That the Draft Audited Statements - years ending March 31, 2005 and 2006 be approved.”

Proposed budget for 2006

- 5.2 The AGM received a tabled copy of the budget proposed for 2007 that had been discussed by the Management Board the previous day. The AGM noted that the Management Board had discussed a number of subscription models at its previous meeting but in light of the IVSC restructuring it had been decided not to proceed with any proposal to change the basis of subscription for 2007 but to recommend an increase in the level of subscription.

MOTION: It was MOVED, SECONDED and CARRIED

“That the proposal by the Management Board that the level of subscriptions for 2007 be:

Full Board Member US\$3500
Elected Board Member \$1750
Member US\$1000
Observer US\$500

be ratified.”

- 5.3 The AGM received the Management Board recommendation that in light of both the change in the IVSC financial year to April to March (from a calendar year) and the IVSC restructuring, that the proposed budget should be considered as an interim budget to 1 April 2007 and should be further reviewed at its next meeting. The Management Board further recommended that an additional US\$50,000 be allocated from reserves to costs associated with IVSC restructuring.

MOTION: It was MOVED, SECONDED and CARRIED

“That the proposed interim budget for 2007 as tabled with an amendment that US\$50,000 be allocated from reserves for IVSC restructuring costs be accepted.”

(Secretariat Note: a copy of the agreed interim budget for 2007 is appended to these minutes)

6. MEMBERSHIP REPORT

The meeting received Attachment 5 that was introduced by the Executive Director.

6.1 Canadian Institute of Chartered Business Valuators (CICBV)

The AGM noted that the Management Board had reviewed and recommended for acceptance the application for membership received from the Canadian Institute of Chartered Business Valuators (CICBV) to become a second member representing Canada on the IVSC and that the application was supported by the current IVSC Member – the Appraisal Institute of Canada.

MOTION: It was MOVED, SECONDED and CARRIED

“That the Management Board’s recommendation that the application by the Canadian Institute of Chartered Business Valuators to become a new National Valuation Association representing Canada on the IVSC be ratified.”

6.2 Kenya

The AGM noted that the Management Board had reviewed and recommended for acceptance the application from the Institution of Surveyors of Kenya (ISK) to become a member of the IVSC representing Kenya.

MOTION: It was MOVED, SECONDED and CARRIED

“That the Management Board’s recommendation that the application by the Institution of Surveyors of Kenya to become a member of the IVSC representing Kenya be ratified.”

6.3 Serbia

The AGM noted that the application from the Association of Court Experts of Belgrade had been withdrawn but that an application would be forthcoming from the National Association of Valuers in Serbia.

6.4 Finland

The AGM noted that the Management Board had reviewed and recommended for acceptance the application from the Finnish Association for Real Estate Valuation for observer status on the IVSC.

MOTION: It was MOVED, SECONDED and CARRIED

“That the Management Board’s recommendation that the Finnish Association for Real Estate Valuation be granted observer status be ratified.”

6.5 Costa Rica

The AGM noted that the Management Board had reviewed the application by the Asociación de Corredores y Valuadores de Bienes Raíces ante el Poder Judicial de Costa Rica (ASOCOVA) to represent Costa Rica on the IVSC. The association had indicated on the application form that it had no education or qualification requirements for membership which is a criterion for the membership of the IVSC and therefore the Management Board could not recommend the application for approval.

6.6 National Association of Certified Valuation Analysts (NACVA)

The AGM noted that the Management Board had reviewed the application from NACVA to jointly represent the USA on the IVSC. The Management Board agreed that although not stated expressly the intention of the current By-Laws was that the membership of the IVSC be restricted to not for profit organisations and that it was not appropriate to review the By-Laws with the restructuring process underway. The Management Board could not recommend the application for approval but were recommending that NACVA be invited to attend the April IVSC meeting in San Francisco as an observer.

6.7 Self-Regulated Inter-Regional Association of Appraisers

The AGM noted that the Management Board had reviewed the application from the Self-Regulated Inter-Regional Association of Appraisers to become a third association representing Russia on the IVSC. The Management Board agreed that the By-Laws could be interpreted as permitting more than two national valuation associations to constitute an IVSC Member but that the member voting agreement to be signed when a country is represented by more than one association only envisaged two. The Management Board agreed that the three associations must agree on meeting the requirements of the member voting agreement before the membership application could be recommended for approval.

- 6.8 The AGM noted that the Vietnamese Valuation Association had presented its application for membership which would be considered by the Management Board at its next meeting.

7 IVSC ELECTIONS AND APPOINTMENTS

7.1 Chairperson-Designate

MOTION: It was MOVED, SECONDED and CARRIED

“That the Management Board’s decision that Elvin Fernandez be elected as Chairperson-Designate to hold office for one year following the 2006 Annual General Meeting and, at the end of the term of the incumbent Chairperson, to become Chairperson for a term of two years be ratified.”

7.2 Vice-Chairpersons-Designate

MOTION: It was MOVED, SECONDED and CARRIED

“That the Management Board’s decision that Elvin Fernandez as Chairperson-Designate and Georghe Badescu be elected as Vice-Chairpersons for one year following the 2006 Annual General Meeting be ratified.”

7.3 Full Board Membership

MOTION: It was Moved, Seconded and Carried

“That the following individuals be, and each of them hereby is, elected to serve as a Full Board Member of the Corporation until their term, as set forth in the Corporation’s Bylaws expires:

Joe Vella (IVSC chairman 2005-2007)
Igor Artemenkov (Russian Society of Appraisers)
Georghe Badescu (National Association of Romanian Valuers)
Vern Blair (American Society of Appraisers)
Kam Kuen Chiu, (Hong Kong Institute of Surveyors)
Richard Chung (New Zealand Property Institute)
Robert Connolly (Australian Property Institute)
Elvin Fernandez (The Institution of Surveyors, Malaysia)
Brian Glanville (Appraisal Institute, USA)
Aart Hordijk (Raad voor Onroerende Zaken, The Netherlands)
Madame Liu Ping (China Appraisal Society)
Chris Thorne (RICS, UK)
Raymond Trotz (Verband deutscher Pfandbriefbanken (vdp) e.V.)
Brad Wagar (Appraisal Institute, Canada)”

7.4 Elected Board Membership

MOTION: It was Moved, Seconded and Carried

That the following individuals be, and each of them hereby is, elected to serve as an Elected Board Member of the Corporation until their term, as set forth in the Corporation's Bylaws expires: Gray Nthinda (The Institution of Surveyors, Malawi), Jang Dong Kyu (Korean Appraisal Board), Leandro S Escobar-Torres (Asociación Profesional de Sociedades de Valoración, Spain).

That the following individual be, and he hereby is, elected to serve as the Developing Country Board Member of the Corporation until his term, as set forth in the Corporation's Bylaws expires: Akin Olawore (Nigerian Institution of Estate Surveyors and Valuers)."

7.5 IVSC Standards Board – officers and members

MOTION: It was Moved, Seconded and Carried

"That the Management Board's decision that Bob Connolly be appointed as chairperson and Chris Thorne as deputy chairperson of the Standards Board for the period 2006 -2007 be ratified."

MOTION: It was Moved, Seconded and Carried

"That the Management Board's decision that the following be members of the IVSC Standards Board for the period 2006 -2007 be ratified:

Gheorghe Badescu
Vern Blair
Wang Chengjun
Richard Chung
Julio Torres Coto
Laurent Despres
Elvin Fernandez
Brian Glanville
German Noguera
Gray Nthinda
Doli Diapari Siregar (representing AVA)
Raymond Trotz
Brad Wagar
Danny Wiley (representing The Appraisal Foundation)

7.6 Executive Director

MOTION: It was Moved, Seconded and Carried

"That the Management Board's decision that Marianne Tissier be appointed as Executive Director for the twelve month period following the 2006 Annual General Meeting be ratified."

8 RESTRUCTURING THE IVSC

- 8.1 The AGM noted that no attachment 6 had been circulated as indicated on the agenda but noted the chart illustrating the proposed new organisational structure.
- 8.2 The AGM received a presentation from the IVSC Governance Group of Brian Glanville (chair), Vern Blair and Brad Wagar.
- 8.3 A full debate took place on the proposals as presented and the IVSC Governance Group responded to questions. The Group requested that the AGM give its support in principle to the outline proposals which would then be further developed into a detailed plan for circulation to all IVSC members. The proposed timetable is

November/December 2007 – proposals to be finalised and report approved by Management Board for circulation

January 2008 – Restructuring report to be circulated to IVSC member institutes and made widely available

April 2007 – IVSC Special Meeting of all members to approve proposals

October 2007 – IVSC AGM to approve new By-Laws and Articles

January 2008 – restructured IVSC operational

8.4 **MOTION:** It was **Moved, Second** and **Carried:**

“That the AGM approve the further development of the restructuring proposals as presented by the Governance Group; request the Group to circulate its detailed report to IVSC member institutes by 1 January 2007; that US\$50,000 be allocated from IVSC reserves to fund the restructuring project; and that a Special Meeting be called in San Francisco in April 2007 to approve the IVSC restructuring proposals.”

9 LIAISON REPORTS

9.1 ASEAN VALUERS ASSOCIATION (AVA)

Elvin Fernandez reported that AVA had held its 14th Congress in Singapore this year and that the Singapore Institute of Surveyors and Valuers would provide the permanent secretariat to AVA. Mr Fernandez reported that he had presented a paper on the Congress. The next AVA meeting will be held in Brunei in June 2007.

9.2 THE EUROPEAN GROUP OF VALUERS ASSOCIATION (TEGoVA)

Leandro Escobar reported the apologies of Alfons Metzger, TEGoVA chairman, who was unable to attend the meeting.

9.3 UNION OF PAN-AMERICAN VALUERS (UPAV)

Leandro Escobar reported that ATASA and UPAV had completed the Spanish translation of IVS 2005 and that ATASA had already sold more than 1000 copies.

9.4 THE APPRAISAL FOUNDATION

Lee Hackett, chairman of the Board of Trustees for the Foundation, thanked the IVSC for the opportunity to observe its meetings. He reported that the Foundation looked forward to working with the IVSC under the 'Madison Agreement' and offered whatever support the Foundation could give to the IVSC during its restructuring.

10.1 The AGM received a report from Bob Connolly, Chairman, IVSC Standards Board.

10.2 MOTION: It was Moved, Seconded and Carried:

“That the following recommendations by the Management Board be accepted:

decision that the revised GN 3, Valuation of Plant & Equipment be published initially on the IVSC website and included in the 8th edition of the International Valuation Standards, and that proposed IVA 3, Valuation for Financial Reporting of Public Sector Assets and proposed Guidance Note, Valuation of Historic Properties be released for exposure following a final review by the Standards Board be ratified.”

- To adopt revised IVS 2 *Valuation Bases other than Market Value* as amended by the Standards Board and subject to further minor editorial changes for publication;
- To adopt revised IVA 2 *Valuation for Lending Purposes* as amended by the Standards Board and subject to further minor editorial changes for publication;
- To adopt proposed new IVA 3 *Valuation for Financial Reporting of Public Sector Assets* for publication subject to a further limited exposure period;
- To issue proposed improvements to GN 8 *Cost Approach for Financial Reporting* for a comment period until 31 December 2006;
- To issue proposed improvements to GN 9 *Discounted Cash Flow Analysis* for a limited comment period;
- To adopt new GN *Valuation of Historic Property* for publication subject to amendments following final review.

10.3 Mr Connolly also reported:

- That the FASB Statement Fair Value Measurements had been recently published and had been welcomed by the IVSC;
- That the Management Board had approved at its April meeting a recommendation from the Standards Board that a small group be established to undertake a complete review of the layout and structure of the IVS. The group was an independent committee, consisting of both Standards Board members and those not involved in the IVSC and was chaired by John Edge, immediate past IVSC chairman. The group was due to report by April 2007.
- That he and Chris Thorne would be meeting with two representations from the Foundation’s Appraisal Standards Board early in 2007 to further convergence of IVS and USPAP.
- That the Management Board had approved a recommendation by the Standards Board that the 8th edition of IVS be published during the first half of 2007.
- That work by the Intangible Assets expert group was underway and the Standards Board looked forward to its first report.
- That emerging issues being considered by the Standards Board included the valuation of liabilities and forestry valuation.

11.

2007 MEETINGS

April 2007, San Francisco, USA

Friday 13 April - Standards Board

Saturday 14 April – Standards Board

Sunday 15 April (morning) - Management Board

Sunday 15 April (afternoon) - Special Meeting to approve IVSC restructuring proposals

(Secretariat Note: the programme of meetings is likely to be subject to change with the Special Meeting being held on either Thursday 12 or Friday 13 April due to the difficulty in reserving hotel rooms on the weekend.)

The 2007 AGM is to be held in London, UK during October.

12.

CLOSE OF MEETING

A resolution to close the meeting was moved, seconded and carried.

SIGNED:

DATE:

IVSC INTERIM 2007 BUDGET (to be reviewed April 07)	
OPERATING REVENUES	US\$
Subscriptions (from IVSC member institutes)	80,000
IVS sales	20,000
Sponsorship	150,000
Total operating revenues	250,000
OPERATING EXPENSES	
(1) STANDARDS PREPARATION	
Technical Consultancy and writing	50,000
Editing IVS	
Standards Board meetings	-
Consultative Group meetings	-
Meetings of Expert Groups (allows 3-4 meetings)	10,000
Printing costs	
Technical staff – salaries and benefits	-
Total standards preparation operating expenses	60,000
OPERATING EXPENSES	
(2) MARKETING & COMMUNICATIONS	
External Relations	5,000
IVSC restructuring costs	50,000
Promotional Material	-
Printing costs	2,000
Web Site	3,000
Marketing staff - salaries and benefits	66,000
Total marketing and communications operating expenses	126,000
OPERATING EXPENSES	
(3) ADMINISTRATION	
AGM and Management Board meetings	2,000
Chairmans travel expenses	6,000
Developing Country Board representative	6,000
Executive Director (Man. Bd/AGM meetings)	6,000
Legal and Financial Advice	15,000
Office services	5,000
Printing costs	5,000
Administration - salaries and benefits	66,000
Total administration operating expenses	111,000
Total operating expenses	297,000
OPERATING REVENUES IN EXCESS (LESS THAN) EXPENSES	(47,000)
Interest Income	1000