



## General Practice Division

Sr Chiu Kam Kuen GPD Council Chairman

# International Valuation Standards (IVS) – New Edition

The IVSC has published the latest edition of the International Valuation Standards (IVS) and made it available at [IVS Online](#).

The latest edition replaces IVS 2017 and will become **effective on 31 January 2020**. The IVSC encourages its early adoption.

The HKIS sent a members' broadcast to all GPD members on 2 August and provided links for downloading the following:

1. [A full PDF copy of the latest IVS \(effective 31 January 2020\)](#)
2. [A 'red-line' version of the latest IVS showing the changes made since IVS 2017](#)

IVSC-sponsored organisations and their employees are given free access to IVS Online, where they can download the latest, as well as archived, standards, along with additional guides. To obtain a code, please e-mail: [contact@ivsc.org](mailto:contact@ivsc.org).

The IVS has been updated by the [IVSC technical standards board](#) following extensive consultations from 2018 to 2019. You can find details of those consultations, along with the feedback received, [here](#).

## Key Updates to the IVS

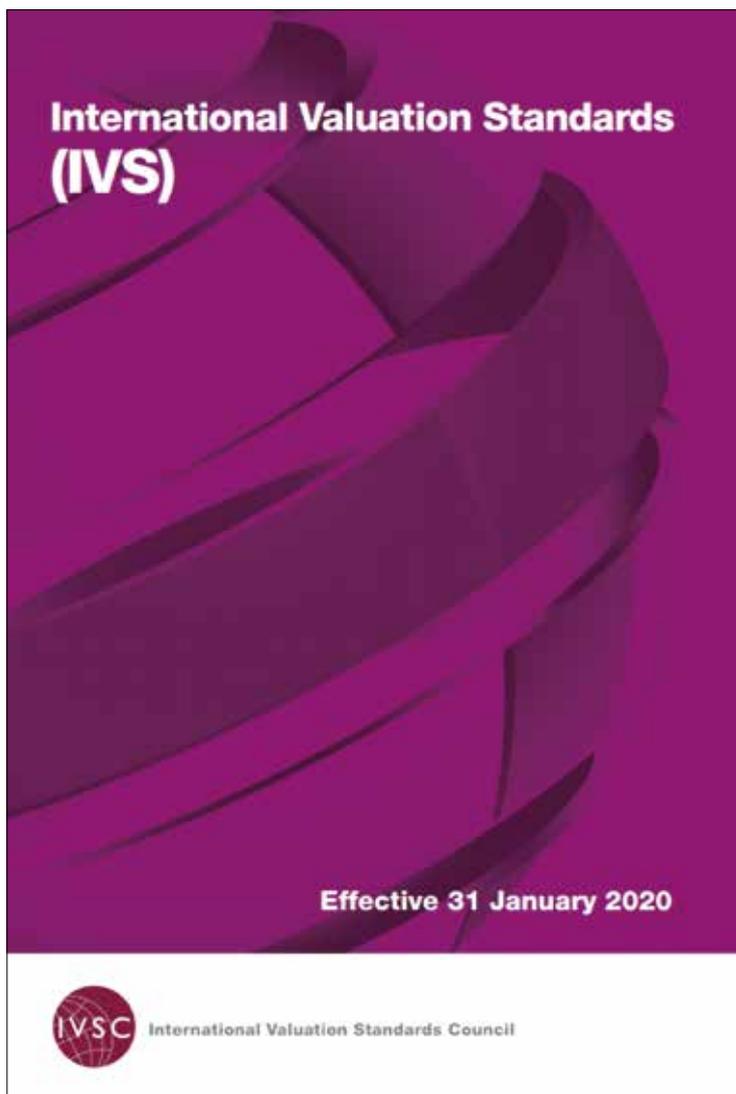
Here are a few things you need to know about the latest version of the IVS:

- **Title:** The year of publication is no longer included in the title. Instead, the 'effective date' (the date in which the standards came into effect) will be clearly set out on the cover.

- **Effective date:** The latest IVS becomes effective in January 2020. However, the IVSC encourages early adoption from the date of publication. Valuers will need to make clear the IVS edition they used to prepare a valuation report.
- **New chapter:** The updated IVS includes a new chapter, '*IVS 220 Non-Financial Liabilities*', as part of the intangible asset standards.
- **Technical revisions:** Updates also include the technical revisions made from 2018 to 2019.
- **Glossary:** The *IVS* glossary has been updated to include new terms and provide additional clarifications. These changes also reflect the IVSC's ongoing efforts to align valuation standards, terminologies, and definitions.
- **Notable updates:** Other key updates have been introduced in relation to development property (IVS 410), limitations (IVS 102), and valuation models (IVS 105).
- **Access the latest IVS:** The latest version of the IVS is available to download from [IVS Online](#).
- **Changes from IVS 2017:** A 'red-line' version of the updated *IVS* is also available for download and explains the changes from IVS 2017.
- **Why the changes?** The Standards Review Board expects to publish a 'Basis of Conclusions' document to explain the rationale behind all updates to the *IVS* in the coming weeks.
- **Translations:** The *IVS* is published by the IVSC in English. Translations of it are carried out by organisations including valuation professional organisations and regulatory authorities. The IVSC will work with these entities to support updates to the existing translations. Why the changes? The Standards Review Board expects to publish a 'Basis of Conclusions' document to explain the rationale behind all updates to the *IVS* in the coming weeks.

An [FAQ document](#) has been published on the IVSC website to support the adoption of the latest version of the IVS.

If you have any feedback you would like to share, please do not hesitate to contact the IVSC via e-mail: [contact@ivsc.org](mailto:contact@ivsc.org).



## Report from the Divisional Education Committee

Following the earlier dissemination of the revised Rules and Guide to the GPD Assessment for Professional Competence (APC) and the announcement of transitional arrangements for local cognate degree holders, the Divisional Education Committee (DEC) has received 59 applications for exemption from the Part I Assessment and approved 51 of them, seven of whom were eligible to attend the Part II Assessment in December 2019 at the earliest. All candidates granted an exemption from the Part I Assessment will be required to undertake a professional task about one month prior to the Part II Assessment. The first Professional Task assessment will be conducted in October 2019. The DEC will hold a briefing session for the Part I Assessment and Professional Task on 9 September 2019. The session is now open for application.

## GPD Promotional Video

The first shoot for the GPD Promotional Video was held on 24 August at the new JLL Office at One Taikoo Place. The GPD thanks JLL and 18 fellow GP members, most of whom were young surveyors and probationers who spent a whole day to support the production. The video aims to promote the roles of GP surveyors in a more down-to-earth manner and will be used in conjunction with the GPD's



future promotional activities. The production of this video is under active arrangement and it is scheduled for launch later this year.

## CPD: How Much Do You Know about REITs? (Code: 2019140)

Sr Andrew Chan delivered a talk on the REIT market during a CPD on 25 July. His speech not only covered REIT 101, but also gave a comprehensive market update of the respective REIT markets in Hong Kong, Singapore, and China.

Sr Chan introduced and compared the existing REIT codes in Hong Kong and Singapore. For Hong Kong, he examined the pros and cons of leveraging an REIT vehicle against an entire group public flotation and analysed the Link and Champion REITs to illustrate this investment tool and the business/job opportunities open to surveying professionals, especially GP surveyors. For Singapore, he introduced a few REITs like CapitaLand, Mapletree, Ascott, and Ascendas to explain the depth and breadth of the REIT market there.

Sr Chan then shared with members his knowledge of the quasi-REIT market in China. He emphasised that there was currently no real REIT product there, but only CMBSs, CMBNs, and quasi-REITs. These types of securitisation have been active in recent years while the Mainland market longed to open up the real REIT market, which could strengthen the capital structures of Mainland developers. Sr Chan concluded the event with a walk-through of the various valuation methods, market studies, and building survey reports commonly adopted for REIT issues.

