

STATEMENT OF PROTOCOLS FOR CO-OPERATION ON INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERNATIONAL VALUATION STANDARDS

BETWEEN

THE INTERNATIONAL VALUATION STANDARDS COUNCIL

AND

THE IFRS FOUNDATION

6 MARCH 2014

1. INTRODUCTION

1.1 The International Valuation Standards Council ('IVSC') and the IFRS Foundation are independent not-for-profit, private sector organisations. The objective of the IVSC is to develop a single set of high quality globally accepted International Valuation Standards (IVSs) and to strengthen the valuation profession by establishing codes of conduct and competency benchmarks for valuation professionals. The objective of the IFRS Foundation is to develop a single set of high quality, understandable, enforceable and globally accepted International Financial Reporting Standards (IFRSs) through its standard-setting body, the International Accounting Standards Board (IASB).

2. SHARED GOALS

2.1 Although the activities of the IVSC (and its various standard setting Boards) and the IFRS Foundation (and the International Accounting Standards Board ('IASB')), are independent, both bodies have a shared interest in the consistent measurement of fair value, for financial reporting.

2.2 Some Standards issued by the IASB use fair value as a measurement basis. The IASB has also published IFRS 13 *Fair Value Measurement*, which sets out the principles for measuring fair value when it is required to be used in IFRSs. The IVSC has standards and guidance on fair value and other valuation measurement and facilitates collaboration and co-operation among its member organisations to help ensure consistent application.

2.3 In October 2013 the Trustees of the IVSC and the IFRS Foundation acknowledged that interacting and exchanging information on how to measure fair values would be relevant and helpful in developing standards and guidelines on fair value measurement, which should lead to enhanced financial statements prepared in accordance with IFRS. This Statement of Protocols translates this decision into working terms, in that it:

- Captures and recognises the nature of the present and continuing co-operation between the IVSC and the IFRS Foundation in drafting standards and guidance on fair value measurement that will support financial statements prepared in accordance with IFRSs;
- Identifies further areas of mutually supportive work which each institution will use its best endeavours to undertake; and
- Provides for continued future co-operation between the IVSC and the IFRS Foundation.

2.4 This Statement captures a common intent for mutual interaction at the working level, with an expectation that it will enhance consistency between the work of the IASB and the work of the IVSC respecting the role that each plays. The regular transparency and confidentiality policies and practices of the IVSC and the IFRS Foundation will apply to these interactions.

3. CO-OPERATION

3.1 The IVSC and the IFRS Foundation have a common interest in ensuring that standards and guidance developed by the IVSC through its standard-setting boards on how to measure fair value is consistent, where appropriate, with IFRS (for example IFRS 13), and is comprehensive and well-developed.

3.2 The IVSC commits to:

- Provide input to the IASB on proposed amendments to IFRS and developments in financial reporting that are relevant to fair value, through regular exchanges of information, meetings and the IASB staff's outreach processes for researching new issues.
- Consider the IASB's comments, as appropriate, in developing IVSCs and valuation requirements for financial reporting in general, and providing feedback as appropriate.
- Provide the IASB staff or members with the opportunity to be included in IVSC consultative groups, committees and task forces, which pertain to fair value measurement for the purposes of financial reporting, as appropriate, recognising that the IVSC determines the composition of these groups on a case-by-case basis.
- Inform the IASB, through its staff, its working groups or other appropriate IFRS Foundation body, when the IVSC becomes aware of diversity in practice concerning fair value measurement in financial reports.

3.3 The IASB commits to:

- Provide input to the IVSC standards boards, as appropriate, on proposed amendments to standards and developments in valuation that are relevant to financial reporting, through regular exchanges of information, meetings and the IVSC staff's outreach processes for researching new issues.
- Consider the IVSC's comments in the normal course of its work in developing IFRSs, and financial reporting in general containing fair value measures and providing feedback as appropriate.
- Provide the IVSC's staff or members with the opportunity to be included in the IASB's advisory and consultative groups, committees and task forces, as appropriate, recognising that the IFRS Foundation determines the compositions of these groups on a case-by-case basis.
- Inform the IVSC, through its staff, its working groups or other appropriate IVSC body, when the IASB becomes aware of diversity in practice concerning fair value measurement in financial reports.

3.4 Both parties commit to:

- Keep abreast of developments, inform each other and exchange views about emerging and divergent practice issues and research in determining fair value for the purposes of financial reporting under IFRS.
- Organise, as and where necessary, discussion sessions for the staff or members of both parties, in order to highlight any relevant issues that may impact upon their work and the standards they publish.

4. REVIEW OF THE AGREEMENT

4.1 Both the IVSC and the IFRS Foundation believe that the role of IVS and IFRSs will continue to evolve. Accordingly, in approximately two years, representatives of the IVSC Board of Trustees and of the IFRS Foundation Trustees will meet to review how these protocols have contributed to the goals they have in mind, and to determine whether there are ways in which the protocols can be improved.

5. NON EXCLUSIVITY

5.1 For the avoidance of doubt, nothing in this agreement should be construed as limiting the rights of either party from forming future relationships, or entering into similar agreements, with any other organisation.

6. NON ENDORSEMENT

6.1 For the avoidance of doubt, nothing in this agreement should be construed as amounting to either party endorsing each other's work. Each organisation takes sole responsibility for the drafting and dissemination of its standards, and any supporting documentation which may be used to justify this material.

7. TERMINATION OF THE AGREEMENT

7.1 Either party may terminate this Agreement by giving not less than two months written notice by e-mail to the named contact person noted in section 8 below.

8. PRIMARY CONTACTS

8.1 The primary point of contact at the IFRS Foundation shall be Kumar Dasgupta, Technical Director. He may be contacted at the Foundation's offices on the e-mail address kdasgupta@ifrs.org.

8.2 The primary point of contact at the IVSC shall be Marianne Tissier, Executive Director. She may be contacted at the IVSC's offices on the e-mail address mtissier@ivsc.org.

8.3 Should either of the primary contacts noted above change, the parties will ensure that appropriate named contacts will be appointed and the details of the appointed individual(s) shall be shared.

9. DATA PROTECTION

9.1 The parties acknowledge that all duties and obligations under this Agreement shall be performed in accordance with the requirements of the Data Protection Act 1998 (as amended) applicable to England and Wales. Each party shall comply with its respective obligations under the Act.

10. GENERAL TERMS

10.1 Nothing in this Agreement shall be construed as creating a partnership or relationship of agent and principal between the parties.

10.2 In the event that any provision of this Agreement is void, voidable, illegal, or otherwise unenforceable the remaining provisions of this Agreement shall remain in full force and effect.

10.3 This Agreement is not assignable.

10.4 No variation to the Agreement shall be given effect unless expressly agreed in writing by an authorised representative of both parties.

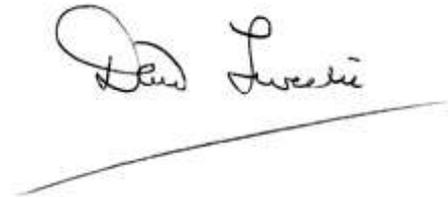
AS WITNESS whereof the parties have executed this Agreement the day and year before written

Signed for:
IFRS Foundation

Signed for:
International Valuation Standards Council

By:

By:



Name: **Michel Prada**

Name: Sir **David Tweedie**

Title: **Chairman of Trustees**

Title: **Chairman of Trustees**

Date: 5 March 2014

Date: 5 March 2014