

Employing the IVS to value Intellectual Property

International Valuation Standards Council

Building trust in valuation

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Singapore, 28th April 2025



International Valuation Standards Council's (IVSC) Mission

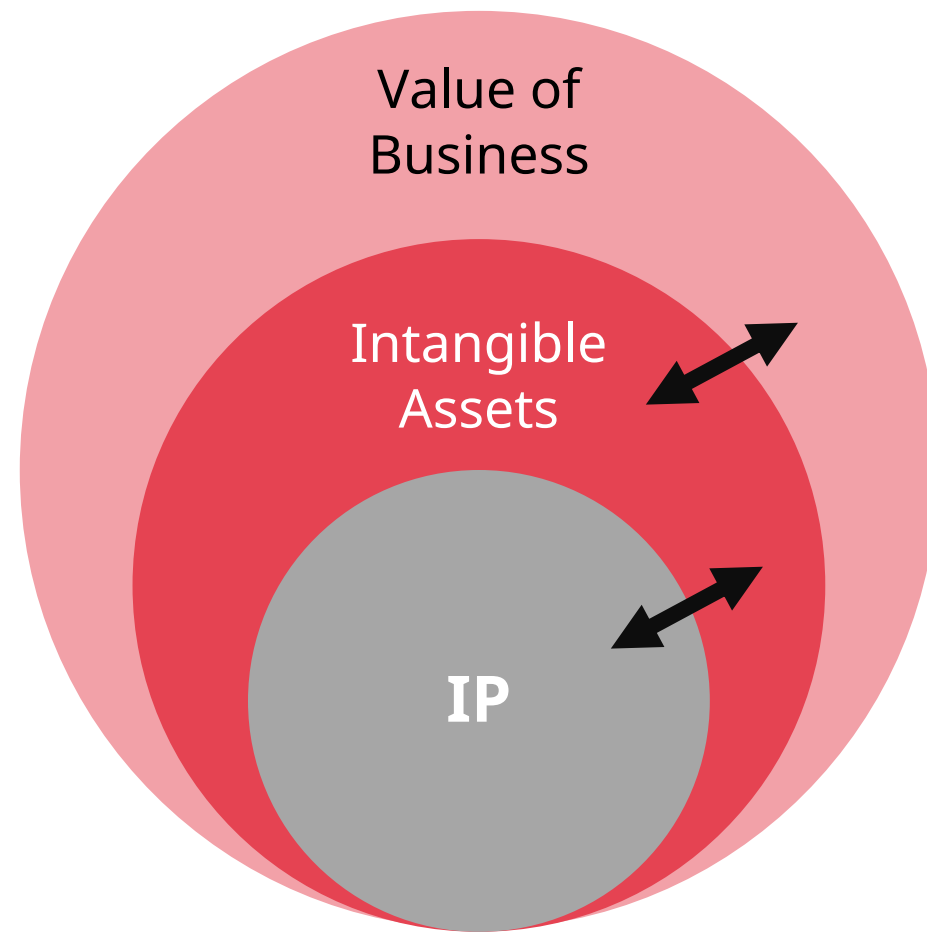
Working with other standard setters, regulators, Valuation Professional Organisations, valuation service providers, asset managers, investment banks and other end-users of valuation information.

The IVSC's mission is to build trust in valuation by:

- Creating robust **International Valuation Standards (IVS)** that ensure consistency, transparency, and comparability in valuations.
- Promoting the adoption of **IVS** and fostering valuation professionalism worldwide. (*Importance of professional judgement*)

The IVSC works for the public good.

Intellectual Property is a Subset of Intangible Assets



- Intellectual property includes certain legal rights;
- It is a subset of Intangible Assets;
- Intangible Assets are understood both as:
 - an accounting item, and
 - are also generally understood by investors as “competitive advantage” or “moat”.
- Intangible assets include customer relations, broad technology, data, brand etc.

Example: The World's Most Valuable Brands

Most Valuable Brands in 2025

- Brand Finance estimates the value of well known Brands.
- These brands do not appear on the balance sheet at these values.



A Valuation Always Requires an Intended Use:

A valuation requires an intended use:

- Financial reporting (Annual Report, Financial Statements)
 - Including Fair Value measurement (IFRS 13 etc.)
- Disputes
- Tax assessments
- Fairness Opinions ("Fair and/or Reasonable")
- Others: Selling, licensing Franchising, Co-branding, Liquidation

Inform

Investor decisions

Value (noun): "The valuer's quantitative conclusion on the results of a valuation process that is fully compliant with the requirements of IVS as of a valuation date."

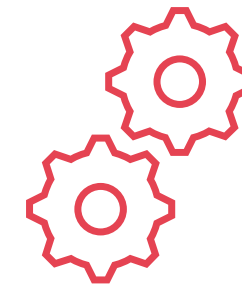
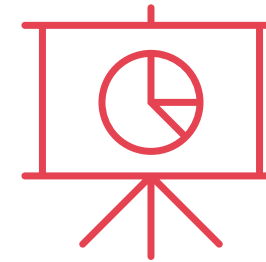
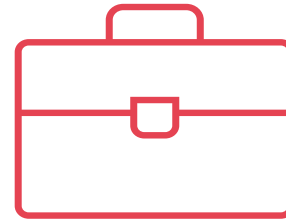
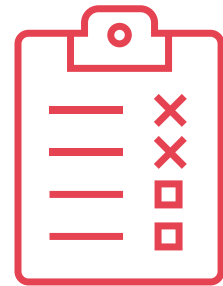
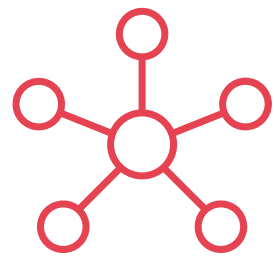
Intended Use: "The reason(s) for which a value is developed as described in the scope of work. This is also known as intended purpose."



Overview of the IVS

Overview of General Standards

IVS General Standards



IVS 100

IVS 101

IVS 102

IVS 103

IVS 104

IVS 105

IVS 106

Valuation
Framework

Scope of
Work

Bases of
Value

Valuation
Approaches

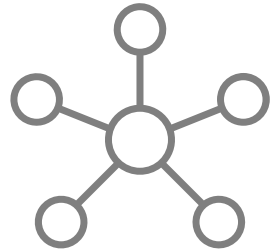
Data &
Inputs

Valuation
Models

Documentation
& Reporting

- The General Standards are aligned with best practices workflow in *Valuation*.
- IVS aim to make valuations accurate, complete, timely, and transparent.
- Compliance with the Standards minimises the risk of errors and misunderstandings.
- The Standards protect the valuer, its clients and the intended users of the *valuation* report.
- Valuations are not a checklist. They revolve around professional judgement.

Inclusion of Quantitative and Qualitative Data



Glossary:

Data: “Quantitative and qualitative information available to the *valuer*.”

IVS 210: Intangible Assets



50.05: Where evidence of either prices or valuation multiples is available, the valuer should adjust these to reflect differences between the subject asset and the assets involved in the transactions. These adjustments reflect the differentiating characteristics of the subject intangible asset and the assets involved in the transactions. Such adjustments may only be determinable at a qualitative, rather than quantitative, level. However, the need for significant qualitative adjustments may indicate that another approach would be more appropriate for the valuation.

Documentation






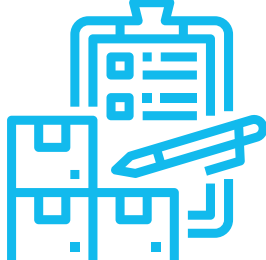




IVS 106 Documentation and Reporting

30.6. Valuation reports must convey the following, at a minimum:

- (a) agreed scope of the work,
- (b) assets and/or liabilities being valued,
- (c) the identity of the valuer,
- (d) client,
- (e) intended use,
- (f) intended users,
- (g) valuation currency(ies) used
- (h) valuation date(s),
- (i) basis (bases) of value adopted,
- (j) approach or approaches adopted,
- (k) method or valuation models applied,
- (l) significant data and inputs used,
- (m) environmental, social and governance inputs used and considered,
- (n) significant or special assumptions and/or limiting conditions,
- (o) findings of a specialist or service organisation,
- (p) value and rationale for valuation,
- (q) IVS compliance statement,
- (r) date of the report

Relationship of IVS General and Asset Standards

IVS Asset Standards

							
IVS 200	IVS 210	IVS 220	IVS 230	IVS 300	IVS 400	IVS 410	IVS 500
Businesses & Business Interests	Intangible Assets	Non-Financial Liabilities	Inventory	Plant , Equipment & Infrastructure	Real Property Interests	Development Property	Financial Instruments

The General Standards apply to all Asset Standards

Spotlight: IVS 210 Intangible Assets

Choice of Approaches

- *Valuer must* understand the asset to be valued and the intended use.
- Intangible Assets / IP are mostly heterogeneous assets; Importance of *Data*.
- **Market Approach:** assumes arm's length information. Guideline transactions.
- **Income Approach:** Most common Approach; RFR, MPEEM, with or without; etc.
- **Cost Approach:** Replacement value (obsolescence, indirect, opportunity costs)

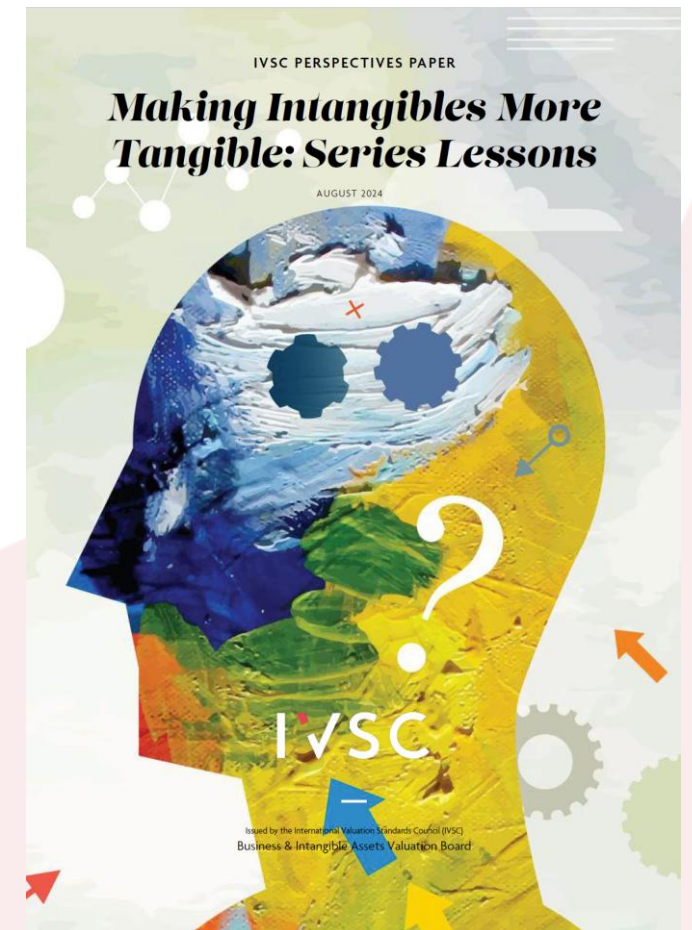
Special Considerations

- Discount rates: reflect higher risks.
- Economic Life: constant, variable rate. Attrition rate is key.
- Tax Amortisation Benefit: where applicable.

Intangible Assets: Evolving Standards and Research

Further Reading – Perspective Papers

1. Time to Get Tangible about Intangibles
2. Human Capital Introspective
3. Rethinking Brand Value
4. Deciphering Technology
5. Valuing Data
6. Series Capstone:
 - Customer-Related Assets
 - IVS and the Revisions to Financial Reporting Standards
 - Series Lessons



Conclusion

- Intangible assets (broadly understood) capture main value drivers of a business.
 - IP, with its legal rights, is an important subset of Intangible Assets.
- International Valuation Standards (IVS) apply to all assets, for all *intended uses*.
 - IVS aim to make valuations accurate, complete, timely, and transparent.
 - Rigorous valuations are important for IA/IP because of the high dispersion of outcomes
 - IVS are the framework for the exercise of professional judgement.
 - This includes incorporating quantitative and qualitative data.
- **Further reading:**
 - Perspective papers: human capital, brand, technology, data, customer-related assets)
- **Looking ahead:**
 - IVS effective 31 January 2028 – Update.
 - Stakeholder feedback is important and welcome.

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