

# Employing the IVS to value Intellectual Property

**International Valuation Standards Council**

**Building trust in valuation**

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# International Valuation Standards Council's (IVSC) Mission

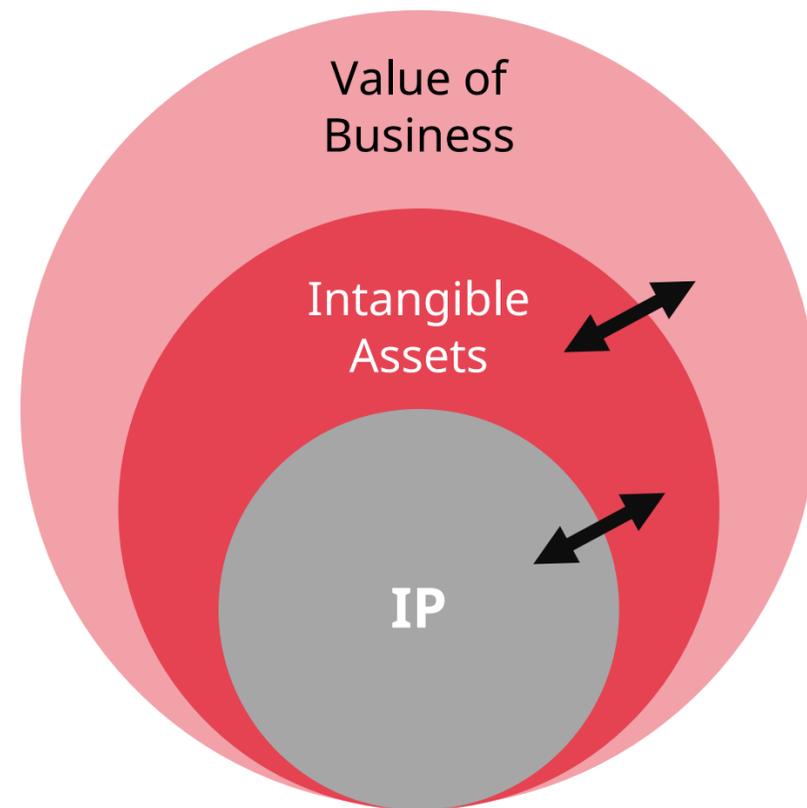
Working with other standard setters, regulators, Valuation Professional Organisations, valuation service providers, asset managers, investment banks and other end-users of valuation information.

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.”

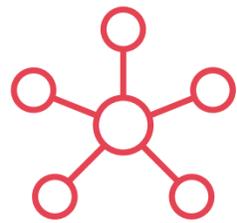
**Intended Use:** “The reason(s) for which a value is developed as described in the scope of work. This is also known as intended purpose.”



# Overview of the IVS

# Overview of General Standards

## IVS General Standards



IVS 100

Valuation  
Framework



IVS 101

Scope of  
Work



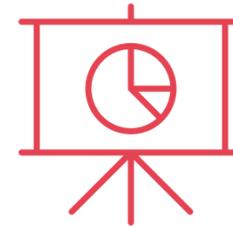
IVS 102

Bases of  
Value



IVS 103

Valuation  
Approaches



IVS 104

Data &  
Inputs



IVS 105

Valuation  
Models

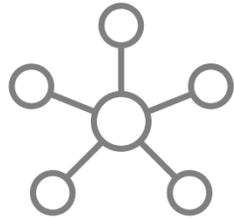


IVS 106

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



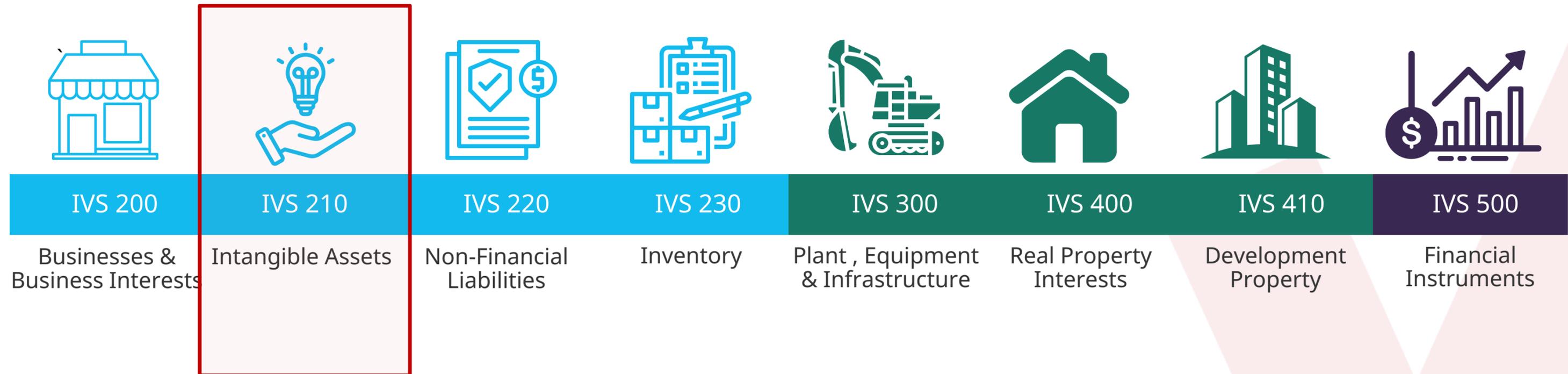
## IVS 106 Documentation and Reporting

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



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)

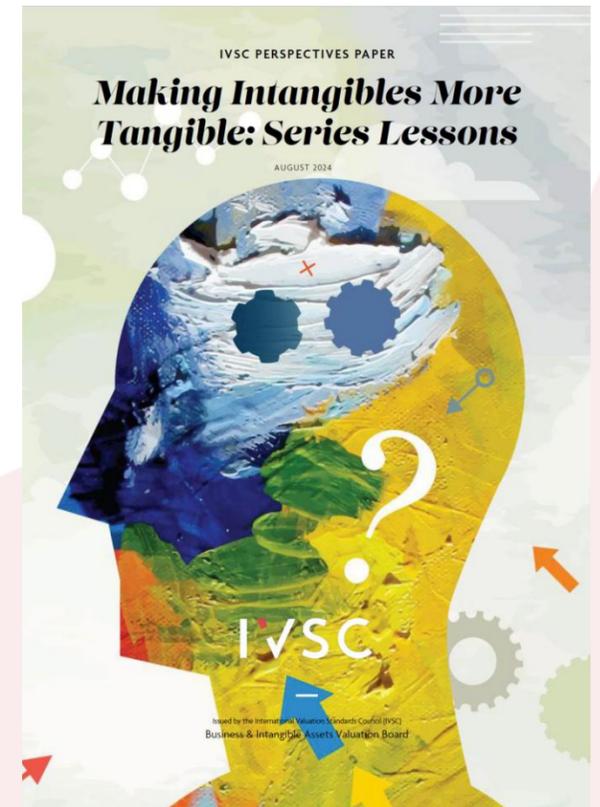
## Special Considerations

- 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.

The background of the slide features a low-angle photograph of several 'Supertrees' in Singapore's Gardens by the Bay. The trees have a complex, branching metal structure and are covered in green moss and plants. The sky is a clear, bright blue. The text is overlaid on this image.

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