**Agenda EBVSB 2020-2024**

After successful launch of EBVS 2020 which will provide business valuers with a common best practice anchored in the EU legal framework, the EBVSB has responsibility to develop unique European business valuation professional designation for business valuers, members of TMAs and accordingly the recognition (awarding) program for TMAs. Both the recognition (awarding) program and professional designation should be considered as priority goal for EBVSB since this will provide basis for recognition by national regulators in EU member counties, candidate countries and wider.

**Priority goal**

In order to achieve above priority goal, EBVSB immediate task should be:

1. Define the curriculum, competencies and qualification process for TEGoVA qualified business valuer.
2. Define the requirements and responsibilities for TMA in order to become an accredited (awarding) TMA for BV professional designation

**Competencies, curriculum and qualification process for TEGoVA qualified business valuer**

**Competencies**

It took years for TEGoVA to develop and implement the “REV awarding program” and it proved to be extremely good, efficient and internationally competitive.

TEGoVA has developed the Minimum Education Requirements (MER) for recognized property valuers and **TMAs are charged with the responsibility to interpret the MER** to ensure consistency with the professional demands of its members.

The MER syllabus is stipulated as follows:

Valuers require an **understanding** of:

• Principles of Economic Theory;

• Practical Economics for Real Estate;

• Business and Finance.

Valuers require a **general knowledge** of:

• Marketing Real Estate;

• Energy;

• Environmental and Resource Protection;

• Buildings and construction.

Valuers require an **in-depth knowledge** of:

• Valuation;

• Professional Practice;

• Law Relevant to Property;

• Government Policies and Land Use;

• Valuation under Statute;

• Valuation Standards

Since RE valuation professionals are one of the most regulated professions, this overall syllabus is indicative enough so that TMAs can interpret it appropriately. In addition, there are many internationally accredited academic educational programs for RE valuers and/or RE industry specialists and accredited educational program organized by valuation profession organizations so that it was relatively easy for TMAs to implement the TEGoVA recognition program according to the established requirements.

BV is more complex area of valuation industry and it is least regulated among other classes of assets. Accordingly, the educational syllabus for business valuers varies from country to country (if any).

Along with the determination to develop the requirements for RE valuers to become BV, it is of highest importance that TEGoVA **develops detailed educational syllabus (detailed modules)** for:

* Practicing non-BV individuals
* BV practicing individuals

The learning outcomes of the education should indicate the competencies i.e. possession of technical and professional competencies of above individuals.

Regardless that BV practicing individuals may prove experience in their own countries it is of high importance that for international recognition this individual is able to undertake valuation of a business with a portfolio of international assets presuming knowledge of calculation of international cost of capital, various IFRS, understanding taxation and regulatory framework in various jurisdictions.

**Curriculum**

EBVSB should develop minimum required curriculum for TEGoVAs qualified business valuer. This will include:

* Requirements relating to the education (depending on the individual’s background)
* Requirements relating to the experience\*

\*(Experience can be described as incremental: indirect valuation experience; soft valuation experience; hard valuation experience, since professional designation will have open access for RE valuation profession)

**Qualification process**

Similar to REV qualification process, EBVSB should develop TEGoVA’s requirements for the qualification process:

* Being a member of TMA
* Appropriate curriculum relating to education and experience
* Appropriate number of business valuations undertaken within certain period
* Appropriate number of recent sample valuation reports,
* Appropriate number of continuous professional development per year
* Appropriate declaration of adherence to the EBVS code of ethics
* Where appropriate, be legally recognised to practice business valuation in their country of origin
* Professional Indemnity Insurance ( if applicable)
* Consider fast-track recognition for individuals who have obtained internationally recognized professional designations in business valuation
* other

**Requirements and responsibilities for TMA in order to become accredited (awarding) TMA for BV professional designation**

The relationship between TEGoVA and AMA is defined via RD agreement between TEGoVA and TMA, where it is stipulated:

*“The right of the TMA to award Recognised European Valuer status and the designatory letters REV™ under the provisions of this scheme, requires the TMA to be* ***responsible for the administrative processing of individual applications and the payment of certain complementary subscriptions*** *to TEGoVA. In return TEGoVA will approve a TMA* ***as a competent body to process applications, monitor the TMA, and, with the TMA, sign a document recognising an individual valuer’s compliance with the requirements of the scheme.****”*

Similar to the above, EBVSB should develop requirements and responsibilities for awarding TMA however with a stronger role in examination of appropriate previous education which must comply with TEGoVA syllabus (modules).

EBVSB should consider expanded role of RC Committee which will advise TMA’s if their already established education in business valuation needs additional modules to fulfill TEGoVAs syllabus.

TMA should have governance structure specific to business valuation and at least certain (to be determined) number of members who are business valuers.

**Other goals**

1. As of February 2020, TEGoVA has a representative in a working group established by EFRAG - European Financial Reporting Advisory Group, whose mission is to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process. Subject working group has task relating to intangible assets and their recognition in accountancy.

TEGoVA representative in EFGRAG is Ivars Strautins, a member of EBVSB.

As current focus of the working group are intangible assets, EBVSB should consider preparing EBVS 5 – Intangible assets (with expanded focus on valuation of goodwill) which will replace current EBVGN 3 Valuation of Intangible Assets.

1. EBVS are unique European standards underpinned by European regulatory framework, including EU adopted IFRS. Developing practical professional guidance and/or technical documents which could be useful for the business valuers on the ground:

* Valuation under uncertainty including causes such as unprecedented global crises (health, climate, war..)
* Initial Stock Valuation
* Asset Impairment
* Business Combinations, Valuation of Legal Entities
* Valuation of the business in “pre-insolvency” state (restructuring procedure and support to the Courts if business should be directed into restructuring or liquidation based on value maximization) new EU directive from March 2019 introducing ‘preventive restructuring”
* Valuation of Financial Service Firms (banks, insurance companies)
* other.

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**Timetable**

Work on priority goals should start immediately: