



IACVA Insight

Working to Support You

2012 Annual Conference in Germany

The sixth IACVA Business Valuation Conference will take place on November 29-30, 2012 in Dusseldorf, Germany.

One of the highlights of the conference is its keynote presenters **Prof. Dr. Dres. Hans, Prof. Aswath Damodaran** and **Prof. Stephen H. Penman**. They will speak on current and much discussed topics of business valuation. During the meeting, there will be opportunities to meet many notable practitioners and academics from Europe. There are 26 Workshops and Special Presentations focusing on “best practice” valuation, legal aspects of valuation, real estate valuation and valuation of small and medium-sized businesses. We hope that we can meet you there! For more information: please see www.iacva.de.

Professionals Join Forces in Xi'an



The IACVA-CAS Business Valuation Conference was held on September 20 and 21, 2012 in the historic city of Xi'an, China. The 2012 Business Valuation Conference attracted over 200 professionals from USA, Canada, Germany, Ghana, Russia, Israel, India, Korea, Hong Kong, Taiwan and mainland China. (Continued on page 2)

Message from the President

Dear Fellow Valuator:

Beautiful autumn brings you the new IACVA Insight!

The September 2012 IACVA-CAS Conference in Xi'an was a great success. I want to thank all of you for your responsiveness and attendance! Now I want to invite you again to attend the 6th IACVA Europe Business Valuation Conference to be held on November 29 and 30, 2012 in Germany.

In addition, the 2013 IACVA/NACVA Annual Conference will be held from June 5th to 8th in Washington DC, USA. NACVA is still looking for presentations!

IACVA-Asia is growing rapidly and I would like to extend a warm welcome to our new additions — the India Charter and members from Indonesia and Malaysia.

All BRICs have joined the IACVA family. CVA credentialing training took place in India in August and is coming to Brazil at the end of November with Russia early in the new year!

With warmest wishes,

Bill. Hanlin, Jr.

CPA, CFE, CVA, CFD

President & CEO

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Professionals Join Forces - Xi'an Conference

(From page 1) **Madam Liu Ping**, Secretary General of the China Appraisal Society, gave a speech on How Professionals Serve the Global Economy and Maintain Competitiveness. She illustrated the urgency for professionals to join forces and provided insight for the efforts made by China in this regard. Meantime, she emphasized that valuation professionals, accounting and auditing professionals and professionals from other related fields must work together across disciplines. Her speech broadened our landscape and changed the vision for the valuation profession.



▲ Meeting Attendants

J. Richard Claywell shared with attendees, the Valuation Issues in Economic Damages at the meeting. His presentation demonstrated a lost-profits case including trends, seasonality and “noise”. It also included interrupted time series analysis, testing the significance of data, projecting sales using a causal model, pressure analysis to determine when damages cease and computing variable costs.

Many valuers working on cross border transactions face a different challenge in finding relevant data. Our board chairman, **James P. Catty**, discussed where we can find information for international valuation assignments. His speech covered nearly 100 sources of information, including associations, banks, consultants, newsletters, magazines, specialty groups and universities. He gave a thorough and detailed illustration of how various sources of information might contribute to a successful valuation assignment.

In addition to technical skills, many valuers are faced with the need to market their services. IACVA president **Bill Hanlin** gave a step-by-step approach on how to build a successful valuation practice. Firstly, you need to have a clear vision about the valuation profession and yourself. Secondly, knowledge and experience are vital to your business. Thirdly, market yourself to the right people. Finally, just do it. Commit yourself and follow your plan! Practice makes perfect.

Dr. Hyunwoo Park from Korea gave a speech on Valuation in Technology Transfer. He introduced Korea’s technology valuation model to guide the assessment process and provide prompt information for each step in the process, enabling an objective and reliable valuation with the use of as much objective information as possible in the estimation of parameters.

These presentations and discussions received considerable feedback from the attendees who spoke of their own inspirations and asked questions about the presentations. The conference also offered opportunities for professionals from different countries to network and share experiences with each other.



The conference received over 20 papers. All papers submitted were carefully evaluated by experts from around the globe. The best paper award winners are as follows:

First Place: **Zhu Jun** (Beijing)

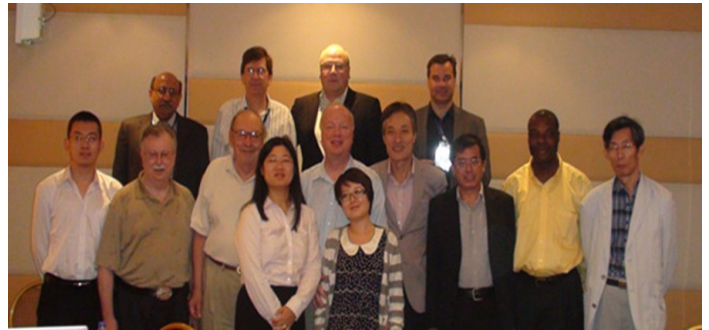
Second Place: **Liu Shiyun** (Hong Kong)

Honorable Mention: **Wang Hongchang** and **Hu Xiaoqing** (Chongqing, China)



India: The first IACVA Business Valuation & Certification Program, jointly organized by IACVA and Khong & Jaafar Property Consultancy Pvt. Ltd, was successfully held in Bangalore, India from August 27th to 31st, 2012.

The first live CVA training class covered valuation for IFRS, Tax, Listings and M&A purposes, and lead to a “Certificated Valuation Analyst” designation for those who successfully passed the CVA exam. During the five days of intensive training, attendees acquired various approaches to satisfy different demands of today’s business owners. What’s more, they used this opportunity to discuss problems in their daily practice with the experienced valuers of IACVA.



Xi’an: Following the 2012 Business Valuation Conference, IACVA’s 5th World Council Meeting took place on September 22, 2012 in Xi’an. This is an opportunity for Charter Leaders and Observer Member Organizations to meet and discuss the growth of IACVA around the globe.

Pursue of Consulting Excellence!

IACVA Online Services: CVA exams and training courses will soon become available around the world on line. Candidates will be able to experience the first class online training for CVA materials.

Check out: www.iacvaonlineservices.org

Europe: Our Secretary General attended the recent IVSC meeting in Milan (25-27 October). Igor Artemenkov (head of our Russia/CIS Charter) also attended. The 3 days of meetings were very positive, and resulted in extensive interaction between the RICS, ASA, CICBV, and IACVA business valuation professionals with respect to IFRS, industry terminology, and translation of the International Valuation Standards (of the IVSC). It appears that the IVS (now imbedded in the new CUV course) is being translated into almost every language of our Charters and Chapters. Contact Mr. Brackett to find out who is translating the materials into your language. On the 23rd of October Mr. Brackett had a long discussion with WIPO (world Intellectual property organization). WIPO is the United Nations organization headquartered in Geneva.

Canada: Numerous organizations such as the AICPA, FASB, IAASB, IASB, the Committee of Sponsoring Organizations of the Treadway Commission (COSO), Integrated Reporting, IVSC and The Appraisal Foundation have requested that IACVA comment on Exposure Drafts of new or revised pronouncements. By the end of October, we have submitted comments to 18 Exposure Drafts. There are at least five more due before the end of the year from various organizations. Comments on those documents allow IACVA to help determine the direction of valuations and standards globally. Jim Catty is spearheading this effort. If you wish to contact him or contribute to this effort, please e-mail: jimc@iacva.org.

New Developments and Upcoming Events

Germany: Effective September 19, 2012 the German Institute of Public Auditors (IDW) recommended certain ranges for the equity risk premium (ERP) for valuation following the IDW Standard S1: *Principles for the Performance of Business Valuations* (2008). This recommendation is primarily based on empirical studies on average historical realizations of stock yields and risk-free rates in Germany, taking into account implied equity risk premiums and effects of the financial & debt crisis. The following tables show the development of these recommendations during the last few years in Germany:

From 2009 to 2011:

ERP before personal income taxes	ERP after personal income taxes
4.5% - 5.5%	4.0 % - 5.0%

From January 12, 2012 to September 18, 2012, due to the financial & debt crisis and shrinking risk-free rates:

ERP before personal income taxes	ERP after personal income taxes
4.5% - 5.5%	4.0 % - 5.0%
use at the top end of the range recommended	use at the top end of the range recommended

Since September 19, 2012, due to the financial & debt crisis and shrinking risk-free rates:

ERP before personal income taxes	ERP after personal income taxes
5.5% - 7.0%	5.0 % - 6.0%

These recommendations will be adjusted if necessary in the future.



USA: The 2013 Annual Consultants' Conference will be held from June 5th to 8th in Washington DC, USA. Each year, the National Association of Certified Valuators and Analysts (NACVA) and the Consultants' Training Institute (CTI) present the premier multidisciplinary gathering of business valuation and financial forensic analysts. This Annual Super Conference serves as a forum where ideas, marketplaces, and people from around the globe connect to explore concepts and share ideas to meet the demands of this dynamic and unpredictable economy. They are looking for presentations representing the latest theory and practical applications for the financial consulting profession's hottest growth niches. Submission deadline: November 19, 2012. For further information, please see www.theCTI.com.

Brazil: The first CVA training class will be held at the end of November 2012 in Sao Paulo, Brazil.

***Transfer the Body of Knowledge!
Pursuit of Consulting Excellence!***



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