

# The Unimpeachable Standard—One Voice Cannot Harmonize with Itself Business Valuation Comparison Charts

## Groundbreaking Results—No Conflicts

In response to public criticism regarding the fragmentation of valuation standards and a global effort aimed at wide-spread adoption of a single set of international valuation standards, the National Association of Certified Valuators and Analysts (NACVA) Standards Board (formerly a committee) embarked on a multi-year study comparing valuation standards promulgated by NACVA to valuation standards issued by the Institute of Business Appraisers (IBA), American Institute of Certified Public Accountants (AICPA), American Society of Appraisers (ASA), Uniform Standards of Professional Appraisal Practice Standards (USPAP), International Valuation Standards Council (IVSC), Royal Institution of Chartered Surveyors (RICS), and Canadian Institute of Chartered Business Valuators (CICBV). The groundbreaking results of this study were summarized into two comprehensive comparison charts equating NACVA standards to other standards promulgated in both the United States ([U.S. Comparison Chart](#)) and standards promulgated internationally ([International Comparison Chart](#)). While the charts note the inherent nuances of each set of valuation standards, the valuation standards promulgated by all eight of these organizations do not conflict.

*“The charts were prepared ‘in response to public commentary concerning the number of valuation credentials, valuation standards, and standard setting organizations’ the most important conclusion of this study is that the domestic and international standards are all essentially addressing the same issues and do not conflict.”—Mark Hanson, former NACVA Standards Board Chair*

## (Domestic) Valuation Standards Comparison Chart

The (Domestic) Valuation Standards Comparison Chart provides a comparison of the respective business valuation standards promulgated by NACVA to standards promulgated by the AICPA, ASA, IBA, and USPAP.

*“The charts are designed to be a cross-reference tool comparing each section of the NACVA standards with a general citation or reference from the corresponding section of other professional organizations’ standards requiring the reader to review the entire section referenced and does not substitute a thorough review of the standards.”—Carl Steffen, former NACVA Standards Board Chair*

## International Valuation Standards Comparison Chart

The International Valuation Standards Comparison Chart provides a comparison of business valuation standards promulgated by NACVA to valuation standards promulgated by IVSC, RICS, and CICBV.

*“The international standards chart was far more complex than the domestic valuation chart, as the international standards are written at 3,000 feet so that they can be applicable to all countries. The most difficult of the General and Ethical, Development, and Reporting sections of NACVA Standards to reconcile to the global standards was the development standards section. In the U.S., the development standards are governed by revenue ruling 59-60 which is irrelevant to the global community as they do not even have 59-60.”—Mark Kucik, former NACVA Standards Committee Chair*

## Harmonization Does Not Mean One Set of Standards

The NACVA Standards Board is a voluntary board whose voting positions are elected by NACVA membership. The purpose for this study was to test the level of harmony or disharmony within the valuation profession, test the durability of our standards, assess the quality of our valuation certifications, and protect the most valuable resource within any organization (its membership). It is significant that the results of the Standard Board’s multi-year study of valuation standards found that no conflicts existed domestically or internationally. This is because the public outcry relative to the number of valuation credentials, valuation standards, and standard setting organizations is frequently cited in support of a need to harmonize the valuation industry through the global adoption of a single set of universal or international valuation standards.

This “one size fits all” approach forcing conformity under one set of standards is a false remedy, as harmonization entails identifying and minimizing differences between two or more standards such that the standards do not conflict with each other. The fact that the valuation standards promulgated by all eight organizations do not conflict, implies that the standards

across the globe already harmonize with one another. An organization should focus on being an effective standard setter of the world and not the effective standard setter for the world. The creation of tools like the valuation standards comparison charts is an essential part of the harmonization process that facilitates communication and collaboration among all organizations. Efforts aimed at the mass adoption of a single set of standards or becoming the single voice or standard setter for the world, may achieve conformity but ignore the underlying risks associated with organizational or national objectives, like financial stability and national security, that no country, industry, or organization can ignore.

*“Just to be clear, the harmonization of standards does not mean one set of standards. Harmony or harmonization, by default, means multiple people or multiple standards working together. It does not mean a soprano out there singing by himself or herself.”—C. Zachary Meyers, CPA, CVA, NACVA Standards Board Chair*