



NACVA

— SUMMARY OF CHANGES TO NACVA'S STANDARDS —

Effective: June 1, 2017

To All NACVA Members:

Effective June 1, 2011, NACVA's Professional Standards were changed to coordinate NACVA and IBA professional standards, while maintaining parity with AICPA's Statement on Standards for Valuation Services (SSVS). Minor wording changes were made subsequent to June 1, 2011, with the exception of the inclusion of Review Standards as of August 1, 2015.

The significant changes as of June 1, 2011 were:

1. New Jurisdictional Exception.¹ Members should follow governmental, judicial, or another authority when they differ from NACVA development or reporting standards.²
2. Development Standards
 - a. Must avoid bias³
 - b. May rely on information from any source without corroboration if disclosed in report⁴
 - c. Members should retain documentation for a sufficient time period to comply with legal regulatory and professional requirements. NACVA recommends a minimum of five years.⁵
 - d. Financial statement adjustments, earnings determination, capitalization/discount rate, and market-ability; control and other discounts are no longer specifically listed
3. Reporting Standards set minimum standards and may now include:
 - a. Hypothetical conditions/assumptions and reason for their inclusion⁶
 - b. Disclosure and consideration of subsequent events⁷
 - c. Denial of access to essential data⁸
 - d. Site visit disclosure⁹
 - e. Reconciliation of estimates and conclusion of value¹⁰

The revised standards are effective for engagements accepted on or after June 1, 2017. Earlier adoption by Members is encouraged.

Respectfully Submitted,

NACVA's Standards Board

¹ Section III D.

² Section III D.

³ Section IV B.

⁴ Section II J.

⁵ Section IV I.

⁶ Section V C. 1. c) (11)

⁷ Section V C. 1. c) (12)

⁸ Section V C. 1. c) (14)

⁹ Section V C. 1. e) (9)

¹⁰ Section V C. 1. e) (10)