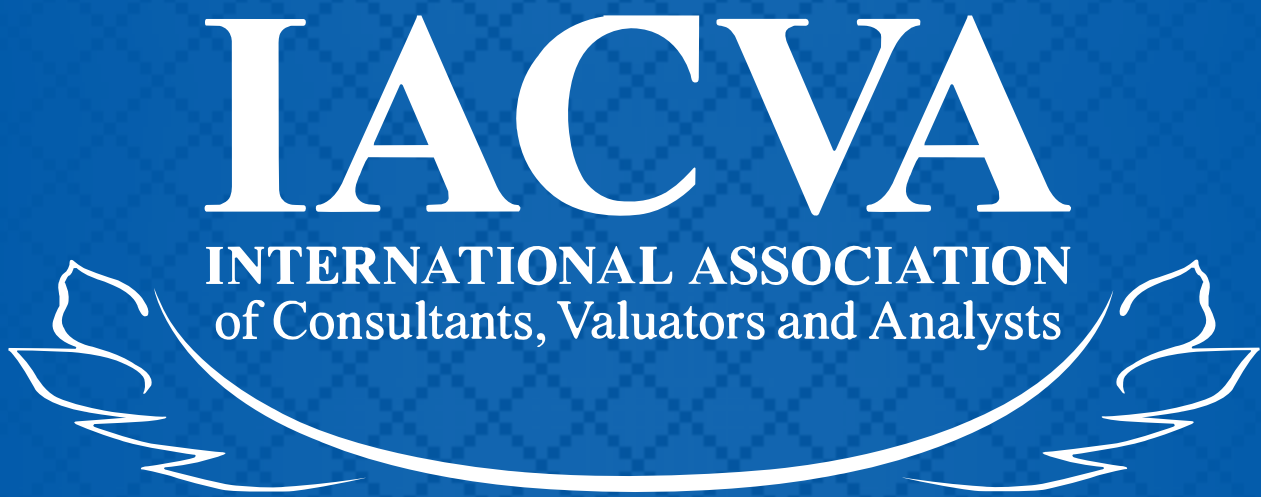


INTRODUCTION TO:

International Association of Consultants,
Valuators and Analysts



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Pursuit of Consulting Excellence

Toronto, Ontario, Canada

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International Association of Consultants, Valuators and Analysts (IACVA)

WORLDWIDE BUSINESS VALUATION AND FRAUD DETERRENCE SUPPORT

The twenty first century differs from the past in a multitude of ways. Two of the most significant differences are the growing importance of intangible assets/intellectual property (IA/IP) and the realization that fraud is universally prevalent. In many countries, those trends are having a significant effect on public trust in their financial reporting.

IACVA was founded in 2000 to provide worldwide support to professionals who perform either valuations (for businesses, securities and Intangible Assets of all kinds) or are engaged in fraud deterrence. IACVA is the first and only international association to provide such support. IACVA is a not-for-profit organization, with headquarters in Toronto, Canada.

MISSION AND MEMBERS

IACVA's objective is to transfer "best practices" in both fields of endeavor. In the valuation field, IACVA promotes the uniform application of valuation theory, approaches, methods and models throughout the world (best practices). In the field of fraud deterrence and forensic accounting, IACVA encourages the development and dissemination of consistent and demonstrable systems and techniques for both detection and prevention of fraud.

This mission is accomplished through the establishment and support of national or regional associations known as Charter Members. The

Charter Members serve as a focal point for local and regional practitioner/members who provide services to their valuation and fraud prevention communities.

In its fields, IACVA is the largest accrediting and educational association in the world with more than 10,000 Associate Members. Charter Members currently cover 54 countries; these include four of the five nations that annually issue the greatest number of patents. The Charter Member structure gives IACVA a unique ability to transfer knowledge relating to both disciplines among the international valuation and fraud deterrence communities by drawing on the vast wealth of experience and resources each Member brings to the organization.

IACVA has several levels of membership. Already mentioned above is the "Charter Member". These administrative centers provide scheduled training, examination, resource support, conferences and other meetings designed to keep the modern professional up to date on developments and practices.

"Associate Members" are individuals. These are professionals, practitioners, non-practitioners, academicians and students.

"Observer Members" are all other organizations of constituents and stakeholders having an interest in IACVA. These organizations include:

- *Academic* Observer Members are universities and colleges offering advanced education in valuation issues. Of particular interest are classes designed to teach valuation practices under IFRS for intangible assets. These institutions are using the same educational materials developed by IACVA in the academic

classroom setting. Successful students are able to demonstrate they have mastered the basic valuation skills as they enter the workforce around the world.

- *Institutional* Observer Members include non-profit entities, government agencies, regulators, etc. The practices included in IACVA training help develop the public trust and the even and fair administration of various laws.
- *Service* Observer Members include firms that provide regular accounting, auditing, valuation and consulting services; it includes enterprises whose employees may be Associate Members.
- “Resource” Observer Members are organizations that provide services or resources to valuation and fraud professionals.
- “Membership” Observer Members are organizations that have their own members who provide valuation/financing services and rely on “best practices.” This includes banking associations, valuation and appraisal societies, institutes of lawyers, judges and accounting societies.

CERTIFICATION PROGRAMS

CVA & CFD

IACVA’s most widely known designation is the Certified Valuation Analyst (CVA) with more than 7,500 recipients.

The more recent, but equally important credential is the Certified in Fraud Deterrence (CFD).

1. Educational programs in valuation - Through the Charter Members, IACVA currently offers more than 60 courses on different valuation related topics. These include intermediate and advanced training in valuation theory and the use of the most commonly accepted valuation models. Specific courses are available in the areas of

intellectual property valuation, purchase price allocation, impairment testing, economic modeling, estimating damages, specific industry issues, and more. These courses and workshops are presented by leading consultants and/or organizations with whom IACVA partners.

2. Educational programs in fraud deterrence and forensic accounting

This professional discipline is one of the hottest specialties for consultants today. IACVA has organized training in the most common fraud schemes, along with instructions on how to discover them, as well as what controls can be put into place to detect a fraud by employees, vendors or customers. In addition, IACVA offers workshop materials to Charter Members on the subject of forensic accounting skills. These two go hand-in-hand in the fight against fraud and financial corruption.

3. A network of information

IACVA has collected most of the resources a valuator could need to efficiently produce complete and thorough reports. These include software, books, articles, independent and government studies, white papers, exposés, case law, databases, and referrals to topical and industry experts; essentially all the resources necessary for quality professional services.

4. Networking opportunities—

Each Charter Member has created and incorporated, into their curriculum, country-specific information about valuation and fraud deterrence practices and methodologies. Associate Members also enjoy a unique opportunity to network with each other, worldwide.

IACVA participates or co-sponsors various conferences around the world in order to encourage wide participation and discussion on relevant issues with Associate Members, as well as other valuation organizations.

5. Participation in governance -

As well as having a Board of Directors, IACVA annually convenes the World Council of Charter Members. With two representatives from each Charter, the Council provides an opportunity for every country to remain current and up to date on new developments as the World Council reviews, discusses and continues to revise International “best practices.” The Council’s purpose is to maintain the viability of the worldwide professions, and to help ensure their uniform public trust.

BENEFITS OF IACVA MEMBERSHIP

IACVA’s credentials are recognized worldwide.

Drawing on the respective and complementary strengths of Charter Members, IACVA offers individuals and organizations a means of enhancing opportunities in the valuation and fraud deterrence arenas. Associate Membership is available to Individuals only through a Charter affiliation.

Certification Programs

Besides providing substantial technical resources and a network of professionals—mentors—helpful in building an Associate Member’s practice, IACVA offers training and credentialing programs, leading to the designations *Certified Valuation Analyst* or *Certified in Fraud Deterrence*.

To earn a CVA, one must meet certain requirements, complete a prescribed training program and pass a rigorous exam. **To maintain the credential, the holder must remain a member of a Charter and fulfill periodic recertification requirements.** The CVA is a statement to clients that you meet the international requirements for competency and professionalism.

Membership in a Charter, along with your professional designation (CVA and/or CFD), attests to your commitment to quality in the performance of professional services and adherence to ethical and professional standards.

Earning a CFD - For professionals involved with fraud deterrence and prevention, this professional credential also requires certain pre-requisites,

training and an examination. A CFD is required to maintain his professional competency by fulfilling periodic recertification requirements. This is a real enhancement to anyone involved in auditing, corporate governance, internal controls, IT, banking, governmental and taxation.

Bimonthly Magazine

In addition to certification, all Associate Members receive a free electronic subscription to a bimonthly magazine *The Value Examiner*® published by the US Charter, NACVA (National Association of Certified Valuation Analysts). This magazine offers a useful source of professional development materials. Each issue of the *Examiner* features four to six substantive articles worthy of adding to your library. Over a year these articles will generally cover all of the following categories:

- Valuation Theory and Practice
 - Application to Intangible Assets and Intellectual Property
 - US Litigation Matters
 - Valuation Court Case Decisions
 - International Valuation Issues
 - Marketing & Practice Development
 - Fraud Prevention and Detection
 - Valuation Industry News
 - New Areas of Opportunity for Practitioners
- such as:

- How to expand into Other Services
- Strategies for Building Company Value

Each Charter can offer articles authored by Associate Members for publication in *The Value Examiner*®. This IACVA-only benefit offers all IACVA members a unique opportunity to share in the future development of valuation theory, as well as the evolution of forensic skills.

Support Services

Other IACVA benefits (some of which require an additional fee) include:

- Professional development programs through seminars (both live and online), conferences, symposiums, and self-study courses.

- Guidance on standards of professional practice.
- Valuation referral services where names, addresses and phone numbers of certified members are provided to prospective clients seeking services and facilitated through an online membership directory.
- Information, consulting, library and research services through our Mentor Support Group.
- Pre-packaged seminars for associate members to present to lawyers, accountants, auditors, business owners and other professionals in their community.
- Online services designed to assist associate members in their research and provide quick access to various exclusive databases and support services.
- Promotional material that allows Charter Members to improve the awareness of IACVA and its credentialed Associate Members to the international legal, business and professional communities.
- A library of sanitized valuation reports to demonstrate “best practices” as well as various other reference materials.
- Business valuation software to assist in analytical activities and report writing. This increases the efficiency and thoroughness of an assignment and improves the quality of the final report.
- Online publication for valuation, litigation support and fraud deterrence books, publications, software and reference sources at www.iacvabookstore.org.
- *A Credentialed Members Directory*

CRITERIA FOR OBTAINING THE IACVA DESIGNATION

To qualify for the CVA, the applicant - at a minimum - must:

1. Have a college degree and hold a valid qualification to practice public accounting;

or,

2. Alternatively, hold a business degree from an accredited university, or have been granted a recognized finance-related credential (such as the CFA, CMA, CWA or CGA), and can demonstrate substantial experience in investment or business valuation.

For this purpose, demonstration of “substantial” experience means:

- a. Two or more years full-time equivalent experience in a valuation related disciplines; or,
 - b. Having performed ten or more valuations in which the applicant's role was significant enough to be referenced in a valuation report; or,
 - c. Being able to demonstrate substantial knowledge of business valuation concepts, be published on the subject, completed graduate work in the field, or obtained a designation from another recognized business valuation accrediting organization.
3. Be a member in good standing of an IACVA Charter (at or prior to taking the CVA examination);
 4. While it is not required, IACVA strongly recommends completion of a five-day training program and prescribed course of study;
 5. Submit three personal and three business references;
 6. Pass a five-hour comprehensive two-part proctored examination. This multiple choice examination is designed to test participants on valuation theory and concepts.

The examination is administered by the Charter Members, or by using an independent exam proctor approved by IACVA.

Beginning in 2009, CVA applicants can show experience in valuation through one of three options:

- a. The first option is to submit for evaluation an actual *sanitized* (so as to protect your and your client's identities) valuation report prepared in the last twelve months.
- b. The second option is to prepare a valuation report based on a case study provided IACVA.
- c. The third option was designed primarily for those seeking the CVA designation, but not intending to be "valuation practitioners." In this option the CVA candidate will take an additional three-hour multiple choice examination designed to test the application of valuation theory and models. Those who pursue the CVA with this option must agree that, at any time in the future, should they prepare a valuation report; the report will be submitted to a registered "mentor" for review/evaluation and compliance with IACVA's Report Writing Standards.
- b. Have performed five or more fraud consulting engagements in which the applicant's role was significant in forming the recommendation or conclusions of a report; or,
- c. Be able to demonstrate substantial knowledge of fraud concepts such as having published works on the subject, completed graduate work in the field; or,
- d. Currently hold in good standing a fraud related accreditation in a field that supports the fundamental foundation of skills used in fraud deterrence from a recognized organization, including, but not limited to CFE (Certified Fraud Examiner), CPA (Certified Public Accountant), CA (Chartered Accountant), CIA (Certified Internal Auditor), CMA (Certified Management Accountant), CFA (Chartered Financial Analyst), or CWA (Cost and Works Accountants).

To continue to hold an active CVA, individuals must be Associate Members of IACVA. CVAs who allow their membership to lapse will lose their certification, and then must reapply to reinstate their membership and certification.

With approval from IACVA, Charters may impose additional prerequisites as are deemed appropriate for a specific country.

To qualify for the CFD, the applicant - at a minimum - must:

1. Hold a four-year college degree in business; or,
2. Hold a four-year college degree and demonstrate substantial experience in fraud consulting and advisory services. Substantial experience may be defined in one of four ways:
 - a. Have two year or more (full-time or equivalent) in fraud detection, prevention, investigation or related disciplines; or,

3. Be a member in good standing of an IACVA Charter (at or prior to taking the CFD examination);
4. While it is not required IACVA strongly recommends completion of a four-day training program and prescribed course of study.
5. Submit three personal and three business references;
6. Pass a four-hour comprehensive proctored examination of multiple choice questions designed to test participants on fraud deterrence theory and concepts.

To continue to hold an active CFD, individuals must be associate members of IACVA. CFDs who allow their membership to lapse will lose their certification, and then must reapply to reinstate their membership and certification.

RECERTIFICATION REQUIREMENTS

Both CVA and CFD designees are required to obtain 36 hours of appropriate professional education in each three-year period, beginning with the first full calendar year after their designation was received. At a minimum, both CVAs and CFDs must obtain at least eight hours of continuing education each year.

Evidence of compliance means attesting to which courses or parts of courses taken meet the requirement. IACVA does not define specific courses as these will depend on local conditions. In general any course or conference with business valuation, valuation, litigation, appraisal, fraud, detection or deterrence, or forensic accounting in its title would clearly comply. There will be grey areas but members are expected to use their best judgment to determine compliance and the applicable hours to report. IACVA reserves the right to request more specific evidence to ensure actual compliance.

RECOMMENDED CVA TRAINING

Business Valuations: Universal Fundamentals & Applications (UFA) is the cornerstone of IACVA's training program for valuers. This two-day curriculum has been the foundation for over 40,000 valuation professionals worldwide since 1990. UFA provides an excellent framework on which to build future professional development. UFA offers insight into every facet of valuation, from the fundamentals through the advanced techniques.

Some topics include: constructing and analyzing economic/normalized financial statements, performing a comparative analysis, differences between IVSC, IASB and FASB standards, selecting proper income for capitalization, estimating future earnings, calculating suitable discount or capitalization rates, distinguishing and converting pre-tax and after-tax discount rates (because tax laws vary significantly between nations), allocating components of value, selecting and applying appropriate valuation methods, how and when to select marketability and minority discounts, and preparing a business valuation.

An important component of the UFA is the development of capitalization and discount rates in

a global environment. This component will show how to avoid common pitfalls in determining these risks underlying the composition of such rates.

In addition, it is highly recommended CVA candidates take three other courses that build upon the concepts taught in UFA:

Business Valuation Administration: using a case-study.

Valuing Intangible Assets & Intellectual Property - Part I and II

RECOMMENDED CFD TRAINING

Fraud Deterrence: This four day course takes the CFD candidate through the fundamentals of practice, including the standards of practice, and the theory of the "fraud triangle". Candidates learn about the most common fraud schemes, along with common techniques to deter and discover where a fraud might already exist, or might take place. Candidates learn the importance of interviewing skills as well as basic forensic models to aid in the analysis of financial records.

IACVA MEMBERSHIP

Individual Membership

Inquire of the local Charter Member or contact IACVA at info1@iacva.org for more information.

Charter Membership - Establishment of Charters

IACVA confers the CVA or CFD on candidates who are members of a Charter and, as such, Associate Members of IACVA. In the event that a Charter has not been established in the applicant's country of residence, IACVA will agree to confer the designation on a successful candidate and to assign the membership to an existing Charter Member.

Call +1-206-623-3200 for details or email IACVA at info1@iacva.org

PROGRAMS/PRODUCTS/SERVICES

The Value Examiner® Annual subscription: US delivery US \$195, International delivery in electronic version only US \$195 (included free with IACVA membership)

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LISTING OF COUNTRIES

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Mexico
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Argentina
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Kenya
Nigeria
South Africa
Uganda

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Malaysia
Thailand
Australia

Middle East

Lebanon
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Syria
Jordan
Kuwait
UAE
Saudi Arabia
Israel
Bahrain

Commonwealth of Independent States

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Azerbaijan
The Republic of Belarus
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Kyrgyzstan
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Turkmenistan
Ukraine
Uzbekistan
Georgia
Estonia
Latvia
Lithuania

Charter Leaders



Europe



Africa



China



Middle East



CIS



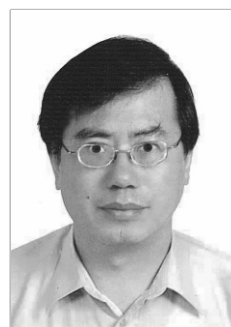
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USA



Korea



Taiwan



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