LIÈGE université Library

https://lib.uliege.be

https://matheo.uliege.be

Travail de fin d'études The juridicity of the International Valuation Standards: An interdisciplinary analysis at the intersection of legal theories, transnational regulation and management

Auteur : Soto Perez, William
Promoteur(s) : Aydogdu, Roman
Faculté : Faculté de Droit, de Science Politique et de Criminologie
Diplôme : Master en droit, à finalité spécialisée en droit économique et social
Année académique : 2025-2026
URI/URL : http://hdl.handle.net/2268.2/26487

Avertissement à l'attention des usagers :

Tous les documents placés en accès ouvert sur le site le site MatheO sont protégés par le droit d'auteur. Conformément aux principes énoncés par la "Budapest Open Access Initiative"(BOAI, 2002), l'utilisateur du site peut lire, télécharger, copier, transmettre, imprimer, chercher ou faire un lien vers le texte intégral de ces documents, les disséquer pour les indexer, s'en servir de données pour un logiciel, ou s'en servir à toute autre fin légale (ou prévue par la réglementation relative au droit d'auteur). Toute utilisation du document à des fins commerciales est strictement interdite.

Par ailleurs, l'utilisateur s'engage à respecter les droits moraux de l'auteur, principalement le droit à l'intégrité de l'oeuvre et le droit de paternité et ce dans toute utilisation que l'utilisateur entreprend. Ainsi, à titre d'exemple, lorsqu'il reproduira un document par extrait ou dans son intégralité, l'utilisateur citera de manière complète les sources telles que mentionnées ci-dessus. Toute utilisation non explicitement autorisée ci-avant (telle que par exemple, la modification du document ou son résumé) nécessite l'autorisation préalable et expresse des auteurs ou de leurs ayants droit.

LIÈGE université
Droit, Science Politique & Criminologie

Département de Droit

The juridicity of the International Valuation Standards: An interdisciplinary analysis at the intersection of legal theories, transnational regulation and management

(La juridicité des International Valuation Standards : une analyse interdisciplinaire entre théories du droit, régulation transnationale et sciences de gestion)

William SOTO PEREZ

Travail de fin d'études
Master en droit à finalité spécialisée en sciences de gestion
Année académique 2025-2026

Recherche menée sous la direction de :
Monsieur Roman AYDOGDU
Professeur à l'Université de Liège
Lecteur :
Monsieur Alexandre STREEL
Maître de conférences à l'Université de Liège

ABSTRACT

This thesis examines the juridicity of the International Valuation Standards, adopted by the International Valuation Standards Council, as a form of transnational private regulation. In a globalized economy, valuation practice increasingly relies on standards produced outside the State, raising the question of whether such instruments can be understood as legal norms. The thesis first constructs the IVS as a normative object through an analysis supported by twelve semi-structured interviews with actors closely connected to international valuation practice.

On this basis, the thesis then assesses the juridicity of the IVS through selected legal theories. Under the classical theories examined, including Kelsen's pure theory of law, Lucien François' microscopic theory and Santi Romano's institutionalist theory, the IVS do not possess autonomous juridicity. Their legal character remains mainly derived and fragmented, depending on their reception by State, professional, institutional or firm-level frameworks. However, transnational legal theories make it possible to adopt a broader view. Since the IVS structure professional expectations, circulate across jurisdictions and contribute to defining what a credible valuation should be, they may be understood as possessing an autonomous juridicity in construction. Their juridicity is therefore not a fixed status, but a gradual process built through reception, effectiveness and legitimacy.

Ce mémoire examine la juridicité des International Valuation Standards, adoptés par l'International Valuation Standards Council, en tant que forme de régulation privée transnationale. Dans une économie globalisée, la pratique de l'évaluation s'appuie de plus en plus sur des standards produits en dehors de l'État, soulevant ainsi la question de savoir si de tels instruments peuvent être compris comme des normes juridiques. Le mémoire construit d'abord les IVS comme objet normatif à travers une analyse appuyée par douze entretiens semi-directifs menés avec des acteurs étroitement liés à la pratique internationale de l'évaluation.

Sur cette base, le mémoire apprécie ensuite la juridicité des IVS à travers plusieurs théories du droit. Au regard des théories classiques examinées, notamment la théorie pure du droit de Kelsen, la théorie microscopique de Lucien François et la théorie institutionnaliste de Santi Romano, les IVS ne disposent pas d'une juridicité autonome. Leur caractère juridique demeure principalement dérivé et fragmenté, dépendant de leur réception par des cadres étatiques, professionnels, institutionnels ou internes aux cabinets d'évaluation. Toutefois, les théories du droit transnational permettent d'adopter une perspective plus large. Dès lors que les IVS structurent les attentes professionnelles, circulent entre les juridictions et contribuent à définir ce qu'est une évaluation crédible, ils peuvent être compris comme porteurs d'une juridicité autonome en construction. Leur juridicité n'est donc pas un statut fixe, mais un processus progressif construit par la réception, l'effectivité et la légitimité.

Nombre de caractères : 124.941 caractères (espaces non-compris).

ACKNOWLEDGMENTS

THIS THESIS MARKS THE END OF A CHAPTER IN MY LIFE. MORE THAN AN ACADEMIC EXERCISE, IT HAS REMINDED ME THAT DREAMS ARE WORTH PURSUING, EVEN WHEN THE ROAD IS DEMANDING.

I WOULD FIRST LIKE TO EXPRESS MY SINCERE GRATITUDE TO MY SUPERVISORS, MR ROMAN AYDOGDU AND MR ALEXANDRE STREEL, FOR THEIR INSIGHTFUL GUIDANCE, THEIR TRUST, AND THEIR VALUABLE SUPPORT THROUGHOUT THIS WORK. MORE BROADLY, I WISH TO THANK ALL THE PROFESSORS OF THE UNIVERSITY OF LIÈGE WHO, OVER THE PAST FIVE YEARS, HAVE TRANSMITTED NOT ONLY THEIR KNOWLEDGE, BUT ALSO A TRUE PASSION FOR THE LAW.

MY GRATITUDE GOES TO ALL THE PROFESSIONALS AND EXPERTS WHO KINDLY ACCEPTED TO SHARE THEIR PERSPECTIVES WITH ME. THEIR EXPERIENCE, GENEROSITY AND OPENNESS GAVE THIS RESEARCH A DEPTH THAT NO BOOK ALONE COULD HAVE PROVIDED. I AM ESPECIALLY GRATEFUL TO THE IVSC AND TO THE EXPERTS FROM ITS TECHNICAL BOARDS FOR THEIR TIME, AVAILABILITY AND WILLINGNESS TO CONTRIBUTE TO THIS PROJECT.

I WOULD ALSO LIKE TO SINCERELY THANK MY UNIVERSITY FRIENDS. I WILL ALWAYS BE GRATEFUL FOR HAVING CROSSED YOUR PATHS. LIVING THIS EXPERIENCE BY YOUR SIDE HAS BEEN ONE OF THE MOST BEAUTIFUL GIFTS OF MY UNIVERSITY YEARS.

FINALLY, THIS THESIS IS DEDICATED TO MY FAMILY, AND MOST SPECIALLY TO MY MOTHER. I AM THE MAN I AM BECAUSE OF THE MOTHER YOU ARE.

AS THIS CHAPTER COMES TO AN END, I CARRY FORWARD THE CERTAINTY THAT THE DREAMS WHICH BROUGHT ME HERE ARE ONLY THE BEGINNING OF WHAT IS STILL TO COME.

TABLE OF CONTENTS

Introduction ____ *4*

Presentation of the Topic ____ **4**

Delimitation of the Topic and Research Question ____ **4**

Methodological Justification and Outline of the Structure ____ **5**

Part 1 – The Construction of the IVS as a Transnational Form of Private Regulation: Emergence, Reception and Effectiveness ____ *7*

Chapter 1 – The IVS as a Transnational Private Regulatory Framework in Valuation ____ **7**

Section 1 – The IVS: A Flexible Normative Framework Structuring the Valuation Process ____ 7

A) A Process-Oriented Framework Structuring the Valuation Workflow ____ 7

B) A Flexible Principles-Based Framework ____ 9

Section 2 – The IVSC: Institutional Structure, Functions and Authority ____ 9

A) A Private and Independent Not-For-Profit Organization ____ 10

B) IVSC's Purpose: Harmonization, Professionalism and Global Recognition ____ 10

C) The Object of the IVSC: Standard-Setting, Outreach and the Absence of Enforcement Powers ____ 10

D) Membership and Sponsorship: The IVSC's Global Valuation Ecosystem ____ 11

E) Governance Structure of the IVSC ____ 11

Section 3 – The IVS and the Rise of Transnational Private Regulation ____ 12

A) Public Regulation as the Traditional State-Centered Model ____ 12

B) Globalisation and the Destabilization of State-Centered Regulation ____ 13

C) Transnational Private Regulation as a Mode of Norm Production ____ 13

D) Effectiveness as the Analytical Lens of Transnational Private Regulation ____ 15

Chapter 2 – Modes of Reception of the IVS ____ **17**

Section 1 – State Reception of the IVS ____ 17

A) Incorporation of the IVS into State Law: The Ugandan Valuation Standards ____ 17

B) Use of the IVS by Public Valuation Bodies: The South African OVG ____ 18

Section 2 – Professional Reception Through Valuation Professional Organizations ____ 19

A) The Central Role of Professional Reception ____ 19

B) The RICS Red Book: Incorporating the IVS into Binding Professional Standards ____ 20

Section 3 - Market Reception of the IVS ____ 21

A) The Reception of the IVS Within International Valuation Firms ____ 21

1. Internal Absorption of the IVS ____ 21

a. Training and Professional Socialization ____ 22

b. Internal Methodologies and Firm-Wide Standards ____ 22

c. Quality Control ____ 23

d. Organizational Convergence ____ 23

2. The Avoidance of Formal IVS Compliance Statements ____ 23

a. The Compliance Paradox: Internal Reliance, External Caution ____ 24

b. The Legal Risk of Claiming Compliance ____ 25

c. Consistency Language as a Risk-Management Device ____ 25

B) Explaining the Internal Absorption of the IVS by International Valuation Firms ____ 26

1. The Limits of Direct Client Pressure as an Explanation ____ 26

a. Direct Market Discipline as a Possible Explanation ____ 26

b. Weak Evidence of Client Awareness of the IVS ____ 27

c. The Monitoring Problem ____ 27

2. From Direct Client Pressure to Indirect Market Expectations ____ 28

a. Transparency, Consistency and Credibility as Client Expectations ____ 29

b. The IVS as a Response to Client Expectations ____ 30

(i) Stakeholder Management and the Identification of Client Expectations 30
(ii) The IVS as a Proxy for Transparency, Consistency and Credibility 31
Section 4 - Interaction Between State, Professional and Market Reception 32
Conclusion 33

Chapter 3 – Effectiveness of the IVS 34
Section 1 - Global Reception and Fragmented Effectiveness of the IVS 34
A) Broad Circulation of the IVS Across Jurisdictions, Asset Classes and Institutional Settings 34
B) Fragmented Effectiveness of the IVS 35
1. Fragmentation Across Regions and Countries 35
2. Fragmentation Across Sectors Within the Same National Market 36
Section 2 - Reasons Underlying the Fragmented Effectiveness of the IVS 36
A. Fragmented Institutional Infrastructure of the Valuation Profession 36
a. Absence of Specialized VPOs: Panama, Hong Kong, and Belgium 37
b. Deficient Enforcement of IVS-Based Standards by VPO 39
c. Mature Institutional Frameworks as Filters of IVS Reception: The CBV Institute Example 40
B. African Reception of the IVS: Representation, Participation and Perceived Legitimacy 41
Conclusion of Chapter 3 42

Conclusion of Part I 43

Part II - Legal Qualification of the IVS 44

Chapter 1 – The IVS Through Traditional Monist and Pluralist Legal Theories 45
Section 1 – State-Centered Legal Theory: The Pure Theory of Kelsen 45
A) Presentation of Kelsen's Pure Theory of Law 45
1. Law as a Pure Normative Order 45
2. Legal Validity as Delegated Validity 46
3. The State Legal Order, Coercion and Effectiveness 46
4. The Grundnorm as the Ultimate Foundation of Validity 47
B) Application to the IVS 48
1. Autonomous Juridicity of the IVS 48
a. The Hypothesis of an IVSC Grundnorm 48
b. The Hypothesis of the Grundnorm of the United States Legal Order 49
2. Derived Juridicity of the IVS 49
a. State Reception 49
b. Professional Reception 50
c. Market reception 51
C) Critique: The Limits of Kelsen's State-Centered Framework 51
Section 2 – Sanction-Centered Legal Theory: The Microscopic Theory of Law by Lucien François 53
A) Presentation of François' Microscopic Theory of Law 53
B) Application to the IVS 54
1. Autonomous juridicity of the IVS 54
2. Derived juridicity of the IVS 54
a. State reception 55
b. Professional reception 56
c. Market reception 56
C) Critique of Sanction-Centered Legal Theory 57
Section 3 - Institutionalist Legal Theory: Santi Romano's Theory of Legal Orders 58
A) Presentation of Romano's Institutionalist Theory of Law 58
B) Application to the IVS 59
1. Autonomous juridicity of the IVS 59
2. Derived juridicity of the IVS 60
a. State reception 60
b. Professional reception 60
c. Market reception 61
Conclusion – Chapter 1 61

Chapter 2 – Towards an Autonomous Juridicity of the IVS 62
Section 1 - Transnational Legal Theories and the Possibility of Autonomous Juridicity 62
Section 2 – Zumbansen's Transnational Private Law and the Rough Consensus of Market Participants 62
A) Zumbansen's Theory of Transnational Private Law 62
B) The IVS as an Autonomous Juridicity in Construction 63
Conclusion ***64***
REFERENCES ***67***
Articles 67
Internet sources and institutional documents 68
Books 70
Legislation and regulatory instruments 71
Case law 71
APPENDIX ***72***
Appendix 13: Institutional Members of the IVSC 72
Academic Member Organisations 72
Associate VPO Member Organisations 72
Corporate Member Organisations 73
Institutional Member Organisations 74
Valuation Professional Organisation (VPO) Member Organisations 75
Appendix 14: Countries Represented in IVSC Technical Boards 77

Introduction

Presentation of the Topic

In today's globalised world, regulation no longer speaks only through the language of the State. Alongside legislation and judicial decisions, other normative instruments increasingly organize conduct, structure markets and guide professional practice. International standards are among the most significant of these instruments[1]. They often emerge outside formal legal systems, yet they may influence behaviour with an intensity that legal scholarship cannot simply ignore.

The International Valuation Standards belong to this movement. Adopted by the International Valuation Standards Council, a private international standard-setter, they seek to provide a common framework for valuation practice across jurisdictions and markets. Their rise reflects a broader transformation: practice often precedes law[2], and private forms of regulation may acquire a practical authority before their legal nature has been clearly understood.

This thesis takes that tension as its starting point. It asks whether the International Valuation Standards possess juridicity. To ask whether the IVS are legal norms is to ask whether instruments produced outside the State may nevertheless fall within the field of legal analysis. It is also to ask whether the most well-known legal theories, largely constructed in the twentieth century, remain capable of apprehending the normative forms through which contemporary economic life is organized.

The issue, therefore, is not only whether the IVS can be classified as law. It is whether law itself can still be understood through categories that exclude, or marginalize, the private and transnational standards that increasingly shape social and economic conduct.

Delimitation of the Topic and Research Question

The juridicity of the IVS will be approached primarily from a theoretical perspective. Since the legal qualification of a norm depends on the conception of law one adopts[3], this thesis

---

[1] See ELIANTONIO, M., VOLPATO, A. and RÖTTGER-WIRTZ, S. (eds.), *Global Standards and EU Law – Challenges for the EU Principles of Good Governance*, Cheltenham, Edward Elgar Publishing, 2025, page 1. "*From the food we eat and its production, to environmental protection, the stability of our financial markets, or the digital sphere and accessibility of information – standards set at the global level are present in virtually every aspect of daily life*".

[2] DIEUX, X., *Droit, morale et marché*, Brussels, Bruylant, 2013, page 15. « *Comme toujours en régime d'économie libérale, la pratique a devancé le droit* ».

[3] See F. OST and M. VAN DE KERCHOVE, "*De la pyramide au réseau ? Pour une théorie dialectique du droit*", Brussels, Presses universitaires Saint-Louis, 2002, page 268. « *Le problème de la définition du droit a, de tout temps, alimenté une littérature abondante* ». See also page 271 : « *Chaque juriste y va de sa définition ».*

assesses the juridicity of the IVS mainly through three Western positivist legal theories: Kelsen's pure theory, Lucien François' microscopic theory, and Santi Romano's institutionalist theory. These theories have been selected because they offer different criteria of juridicity: State validity, sanction, and institutional organisation. They therefore make it possible to test whether the IVS can be legally qualified under traditional legal thought.

Furthermore, the topic is not delimited by reference to a single national legal system, sector, or context of application. The IVS are transnational standards, and their possible juridicity cannot be fully understood by examining only their status within one jurisdiction or one professional field. Nor does this thesis seek to determine whether each individual standard composing the IVS may separately be qualified as a legal norm. Rather, the analysis considers the IVS as such, that is, as a global normative framework whose effectiveness must be assessed across jurisdictions, sectors and contexts of valuation practice.

The research question may therefore be formulated as follows: *to what extent can the International Valuation Standards, considered as a global normative framework rather than through isolated standards, jurisdictions, sectors or contexts of application, be qualified as legal norms, taking into account their overall effectiveness, and does their juridicity remain merely derived from their reception by other normative frameworks, or can this effectiveness support the emergence of an autonomous transnational juridicity?*

Methodological Justification and Outline of the Structure

The structure of this thesis follows from the nature of the research question. Since the juridicity of the IVS cannot be assessed in the abstract, the analysis first requires the construction of the object whose legal qualification is at stake. For this reason, Part I identifies the IVS as a transnational form of private regulation by examining their institutional origin, normative structure, modes of reception and, above all, practical effectiveness. This first step is essential because the possible juridicity of the IVS depends not only on the legal theory adopted, but also on the way in which they circulate, are received and structure valuation practice across jurisdictions and professional environments.

This first part relies significantly on empirical material gathered through twelve semi-structured interviews with actors involved in, or closely connected to, international valuation practice. Ten interviewees are members of boards of the IVSC[4], while the remaining two are valuation professionals closely connected to the valuation field[5]. The sample was constructed in order to capture a plurality of perspectives. The interviews therefore include actors connected to public institutions[6], Valuation Professional Organisations[7], valuation firms[8] and

[4] See Appendix 3, Appendix 5, Appendix 7, Appendix 9; Appendix 6; Appendix 8 ; Appendix 1; Appendix 4 ; Appendix 10 and Appendix 12.
[5] See Appendix 2 and Appendix 11.
[6] See Appendix 6.
[7] See Appendix 2 and Appendix 8.
[8] See Appendix 3, Appendix 5; Appendix 7; Appendix 9, and Appendix 11.

other relevant actors[9]. This choice was made because, as will be seen throughout this thesis, the juridicity of the IVS does not depend on one single channel of reception, but mainly on the interaction between regulators, professional organisations, and firms.

The interviews also reflect a geographically diverse sample: two interviewees are based in Asia[10], two in the Americas[11], four in Africa[12] and four in Europe. This distribution does not aim at statistical representativeness, but at obtaining a sufficiently global and comparative perspective on the practical authority of the IVS.

Part II then proceeds to the legal qualification of the object constructed in Part I. The IVS are assessed through selected legal theories, before considering the possibility of a more autonomous transnational juridicity.
This sequence is methodologically important: the legal-theoretical analysis is not detached from practice, but grounded in the effectiveness, reception and institutional reality of the IVS previously established.

[9] See Appendix 1, Appendix 4; Appendix 10 and Appendix 12.
[10] See Appendix 1 and Appendix 3.
[11] See Appendix 5 and Appendix 8.
[12] See Appendix 4; Appendix 6; Appendix 10 and Appendix 12.

Part 1 – The Construction of the IVS as a Transnational Form of Private Regulation: Emergence, Reception and Effectiveness

This first part proceeds in three steps: it first presents the IVS and the IVSC (Chapter 1), then examines the modes of reception of the IVS (Chapter 2), and finally assesses the extent and limits of their effectiveness (Chapter 3).

Chapter 1 – The IVS as a Transnational Private Regulatory Framework in Valuation

This chapter aims to situate the *International Valuation Standards* (IVS) within their normative and institutional context. It proceeds in three steps. First, it examines the IVS as a normative framework structuring the valuation process (Section 1). Second, it presents the institutional architecture of the *International Valuation Standards Council* (IVSC), the private body responsible for their development (Section 2). Finally, it situates both the IVS and the IVSC within the broader phenomenon of transnational private regulation, thereby providing the conceptual lens through which they will be analyzed throughout Part I (Section 3).

Section 1 – The IVS: A Flexible Normative Framework Structuring the Valuation Process

The International Valuation Standards (hereinafter the "IVS") constitute a process-oriented normative framework that structures the valuation workflow (A), while preserving the flexibility inherent in their principles-based approach (B).

A) A Process-Oriented Framework Structuring the Valuation Workflow

The IVS constitute a set of requirements applicable to the valuation process. In their current version[13], published on 31 January 2024 and effective from 31 January 2025, they are composed of seven *General Standards*, applicable to all valuations, and eight *Asset Standards*[14], applicable depending on the asset or liability being valued.

In terms of content and structure, the IVS seek to structure the stages of the valuation workflow, starting with a *Glossary*, which defines certain terms used in the IVS[15]. Then follow the General Standards, addressing, among other things, the *Framework* of the valuation[16], the *Scope of*

[13] International Valuation Standards Council, *International Valuation Standards* (2024 ed., effective 31 January 2025) (hereinafter: IVS 2024).

[14] The different Asset Standards are IVS 200 on *Business and Business Interests*, IVS 210 on *Intangible Assets*, IVS 220 on *Non-Financial Liabilities*, IVS 230 on *Inventory*, IVS 300 on *Plant, Equipment, and Infrastructure*, IVS 400 on *Real Property Interests*, IVS 410 on *Development Property*, and IVS 500 on *Financial Instruments*.

[15] IVS 2024, page 8.

[16] IVS 100 relates to the *Framework* and sets out, among other things, the fundamental principles with which the valuer must comply, notably in terms of ethics, competence, compliance and professionalism.

Work[17], the selection of the *Basis of Value*[18] and the *Valuation Approach*[19], the use and selection of *Data and Inputs*[20], *Valuation Models*[21], and *Documentation and Reporting*[22]. These General Standards are complemented by the Asset Standards, which not only adapt the general framework to the specific features of certain categories of assets or liabilities, but also introduce additional requirements[23].

This structure reflects the process-oriented nature of the IVS. They organize the valuation process, from the initial framing of the assignment to the justification and communication of the valuation conclusion. The IVS thus provide guidance to the valuer throughout the valuation process, with the aim of ensuring quality, transparency and consistency in valuation practice. From this perspective, they display one of the main characteristics of what authors call *technical norms*. Indeed, such norms aim to ensure the quality of a service (here, a valuation) by regulating the quality of the process leading to it[24].

Furthermore, their normativity is not primarily substantive, in the sense of imposing one predetermined valuation result or method, but procedural. In other words, the IVS organize the way in which valuation choices must be made, justified, documented and reported, while seeking to ensure that such choices are appropriate having regard to the intended use of the valuation and the asset or liability being valued[25]. Such an approach, which is softer than a classical hierarchical command, leaves room for the valuer's professional discretion. The valuer

---

[17] IVS 101 establishes the requirements relating to the scope of work, which describes the terms and parameters of the valuation assignment.

[18] The Basis of Value is dealt with in IVS 102. The Glossary 10.02 (IVS 2024) describes the Basis of Value as "*the fundamental premises or requirements on which the reported values are or will be based*". An appendix to IVS 102 further defines different bases of value, such as the market value (A10).

[19] The Valuation Approach is dealt with in IVS 103. The Glossary 10.31 (IVS 2024) defines the Valuation Approach as "*a generic term for the use of the cost, income or market approach*". An Appendix to IVS 103 defines the different valuation approaches, such as the comparable transactions method or even the DCF method.

[20] The selection and use of Data and Inputs is dealt with in IVS 104. The Glossary defines Data as "*quantitative and qualitative information available to the valuer*" (10.06), whereas it defines Input as "*Data, assumptions, and adjustments determined to be relevant and assessed or selected by the valuer to be used in the valuation, based on professional judgment*" (10.10). IVS 104 also contains an Appendix on the use of measurable and reasonable ESG data by valuers. The Appendix A10.06 therefore states that "*ESG factors and the ESG regulatory environment should be considered in valuations to the extent that they are measurable and would be considered reasonable by the valuer applying professional judgment*".

[21] The use and selection of valuation models is dealt with in IVS 105. The Glossary 10.34 (IVS 2024) defines a Valuation Model as "*a quantitative implementation of a method in whole or in part that converts inputs into outputs used in the development of a value*".

[22] The *Documentation and Reporting* of the valuation process and conclusion is dealt with in IVS 106, thereby enhancing transparency as to the choices, assumptions and reasoning followed by the valuer.

[23] See IVS 2024, page 69. It concerns the case of *Business and Business Interests* valuations, where IVS 200 provides that, where multiple classes of equity exist, the valuation should consider the rights of each distinct class, including voting rights and liquidation preferences.

[24] B. FRYDMAN and A. VAN WAEYENBERGE (dir.), *Gouverner par les standards et les indicateurs : de Hume aux rankings*, Brussels, Bruylant, 2014, pp. 25-29.

[25] See E. GONNELLA, "*Regulation in Business Valuation: The Case of the International Valuations Standards Council*", Research Journal of Finance and Accounting, 2018, page 110. "*The principle repeats that it is the valuer's task and responsibility to choose the most appropriate approach and method by taking into account the purpose of the valuation … the nature of the asset, as well as the availability and reliability of the information required for the method(s) selected*".

is not expected to apply the standards mechanically, but is encouraged to use professional judgment, defined as "*the use of accumulated knowledge and experience, as well as critical reasoning, to make an informed decision*"[26].

This procedural approach also contributes to the IVS' cross-asset applicability across a wide range of valuation purposes[27], and explains their ability to operate across different valuation contexts.

B) A Flexible Principles-Based Framework

The flexibility of the IVS lies not only in the room for discretion they give to the valuer, but also in the fact that they constitute a principles-based set of standards rather than detailed rules on valuation.

This approach is reflected in the fact that the IVS primarily establish minimum requirements[28], which can therefore be supplemented by more detailed requirements. It is reinforced by the fact that the IVS leave room for other standards or regulatory frameworks to apply, which also denotes their adaptability. Indeed, where legal, statutory, regulatory or other authoritative requirements applicable in the relevant jurisdiction, or for the specific purpose of the valuation, conflict with the IVS, those requirements prevail over the IVS, while the valuation may nevertheless remain IVS-compliant[29].

This mechanism is particularly significant: the IVS do not purport to replace the normative environment in which the valuer operates, but rather to coexist with it by explicitly allowing departures from the IVS in such cases. Their flexibility is therefore one of the conditions of their transnational operability[30]. By being articulated with different regulatory frameworks, the IVS can circulate across heterogeneous normative environments. This capacity for coexistence is crucial to understanding how the IVS can matter in a globalized and fragmented normative landscape.

Section 2 – The IVSC: Institutional Structure, Functions and Authority

It is not only their singular normative framework that characterizes the IVS, but also the fact that they are elaborated by a private organization, the International Valuation Standards Council

[26] IVS 2024, Glossary 10.22.

[27] Intended purpose, also known as intended use, refers to "*the reason(s) for which a value is developed as described in the scope of work*" (Glossary, 10.12). Thus, valuations can have many purposes, such as financial reporting, M&A and Transactions, Tax & Policy, lending and disputes. As a practitioner highlights (Appendix 1), the purpose shapes the methods and techniques that the valuer will select.

[28] E. GONNELLA, op. cit., page 107: "*the know-how codified in the principles at issue is a rather limited portion of the knowledge required for the expert to carry out his valuation activity with due professional diligence".*

[29] See IVS 2024, IVS 100.40: Compliance is function of "*legal, statutory and regulatory or other authoritative requirements appropriate to the purpose and jurisdiction of the valuation. If in conflict with IVS the requirements should be prioritized, explained, documented and reported*". Any other deviations would render the valuation not compliant with IVS.

[30] See Appendix 2 and Appendix 6. According to the interviewees, it is specially this flexible approach of the IVS, and more particularly the fact that they are principles-based, that allow actors to align with them while also abiding to local legislation or their own standards.

(hereinafter the "IVSC"). We will outline its legal nature (A), purpose (B), activities (C), membership and funding (D), and governance structure (E).

A) A Private and Independent Not-For-Profit Organization

The IVSC is a not-for-profit corporation without shares incorporated in the State of Illinois, USA, and therefore governed by the Illinois General Not For Profit Corporation Act of 1986. It is registered in the United Kingdom as an overseas company[31].

This legal form is significant. The IVSC is not a public authority, nor does it derive its powers from a State mandate. It is a private organization which elaborates standards intended to guide the conduct of valuers. This issue will recur throughout our analysis.

The head office of the IVSC is located in London, with an additional operational presence in Singapore and plans for a possible future Africa Desk in Uganda[32]. This institutional presence reflects the transnational ambition of both the organization and the standards it produces.

B) IVSC's Purpose: Harmonization, Professionalism and Global Recognition

The transnational reach of the IVSC is also reflected in its overarching objectives, which are to enhance consistency and harmonization in valuations *worldwide*, and to promote a high level of professionalism within the valuation profession. It also works towards becoming "*the international voice of the valuation profession*"[33].

C) The Object of the IVSC: Standard-Setting, Outreach and the Absence of Enforcement Powers

First, it has a standard-setting function, which consists in developing a coherent set of high-quality international valuation standards. Second, it performs an outreach function, engaging with stakeholders in order to foster the recognition, adoption and consistent application of the IVS, and to consolidate them as authoritative reference frameworks in practice[34].

However, the IVSC does not exercise any enforcement powers with respect to the application of the IVS. In this regard, the IVS 2024 state that: "*The adoption or use of any International Valuation Standards Council standards by any entity is entirely voluntary … The International Valuation Standards Council does not control how or if any entity chooses to use the standards and does not and cannot ensure or require compliance with the standards*"[35]. Thus, the IVSC does not have "*any enforcement powers towards anyone (…) It is all on a good faith basis*"[36]. This absence of coercive or supervisory authority is a defining feature of the IVSC's regulatory model.

---

[31] International Valuation Standards Council, *Companies House (UK), Overseas Company Registration*, Company No. FC030067, available at: https://find-and-update.company-information.service.gov.uk/company/FC030067.

[32] See Appendix 10.

[33] IVSC, "Tenth Amended and Restated International Valuation Standards Council Bylaws", article 1, available at https://www.ivsc.org/wp-content/uploads/2023/11/10.-Tenth-Amended-and-Restated-Bylaws.pdf.

[34] Ibid. See also Appendix 1.

[35] IVS 2024.

[36] Appendix 1.

D) Membership and Sponsorship: The IVSC's Global Valuation Ecosystem

Since the IVSC does not have, by itself, enforcement powers, it relies on stakeholders within the valuation ecosystem to ensure that its standards are used in practice. Thus, it brings together more than 230 member organizations worldwide operating in more than 130 countries[37]. These members are legal persons and include Valuation Professional Organizations (VPOs), corporate members such as valuation firms and users of valuation services, institutional members such as government agencies and regulators, and academic members[38]. Membership therefore extends beyond the valuation profession stricto sensu to a broader ecosystem of actors interacting with valuation practice.

Some of these member organizations are also sponsors of the IVSC, meaning that they contribute financially to the organization's activities, including the functioning of its permanent staff and the development of its outreach initiatives. A list of the members and sponsors of the IVSC is provided in Appendix 13.

This membership and sponsorship structure therefore shows that the authority of the IVS is not built through coercion, but through the participation, support and recognition of actors belonging to the global valuation ecosystem.

E) Governance Structure of the IVSC

The IVSC has a multi-layered governance structure, within which different bodies perform distinct roles.

Its governance is overseen by the *Board of Trustees*[39]. It ensures the overall governance and financial viability of the organisation, appoints members of the other boards, and oversees the due process applicable to the development of the IVS.

The standard-setting function is entrusted to the International Valuation Standards Boards[40], which comprise the *International Valuation Standards Review Board* (IVSRB) and three *technical boards* covering Tangible Assets, Business Valuation, and Financial Instruments.. Both the IVSRB and the technical boards are independent bodies composed of internationally recognized experts in valuation[41].

Finally, the *Global Membership and Standards Recognition Board*[42] leads initiatives aimed at promoting market recognition of the IVS, particularly through engagement with VPOs[43].

---

[37] See https://ivsc.org/about/.
[38] IVSC, "Tenth Amended and Restated International Valuation Standards Council Bylaws", article I.
[39] IVSC, "Tenth Amended and Restated International Valuation Standards Council Bylaws", article II.
[40] Ibid., article V.
[41] N. KONIALIDIS, *Demystifying Valuation Standards for the Legal Community: Building Trust in Valuation*, unpublished presentation slides, provided to the author, n.d., on file with the author.
[42] Ibid. article VI.
[43] This board comprises regional committees (Middle East and Africa, Europe, Asia, Latin America), which conduct market-facing activities aimed at embedding the IVS within their respective regions, while also providing feedback and market intelligence to the Trustees and the technical boards.

This institutional architecture shows that the IVSC combines expert-based standard-setting with market-facing recognition work. Its authority therefore depends not only on technical expertise, but also on its capacity to secure acceptance among professional, regulatory and market actors.

Section 3 – The IVS and the Rise of Transnational Private Regulation

This section situates the IVS within the broader rise of transnational private regulation. It first recalls the traditional State-centered model of public regulation (A), before showing how globalisation destabilizes that model (B) and gives rise to transnational private forms of norm production (C).

A) Public Regulation as the Traditional State-Centered Model

Public regulation can be defined as the "*exercise of public authority to make, implement and enforce rules*"[44]. As such, it constitutes the classical paradigm of norm production, historically grounded in the central role of the State as the primary source of authority. Public regulation therefore emanates from the State and is imposed upon regulated entities, which is the reason why some authors qualify it as "*hetero-regulation*"[45].

The Belgian authors François Ost and Michel Van de Kerchove describe this centralized mode of regulation through the metaphor of a *pyramid*[46], where norms are elaborated by specialized organs endowed with determined competencies[47], forming together a coherent system structured through relations of superiority and subordination, and power, embodied in the sovereign State, is conceived as vertically organized, based on coercion[48], and exercised from an elevated position over subordinate subjects[49].

This hierarchical configuration entails a specific conception of legitimacy: the norm is perceived as originating from a superior authority invested with a mission of protection and

---

[44] L.K. MCALLISTER, "Harnessing Private Regulation", Michigan Journal of Environmental & Administrative Law", 2014, page 300.

[45] See N. THIRION, « Hétéro-régulation, auto-régulation et co-régulation : esquisse théorique et application au marché des services de médias audiovisuels ». In F. Jongen (Ed.), *La directive services de médias audiovisuels - Le nouveau cadre juridique de l'audiovisuel européen*, 2010.

[46] F. OST and M. VAN DE KERCHOVE, "De la pyramide au réseau ? Pour une théorie dialectique du droit", Bruxelles, Presses universitaires Saint-Louis, 2002, page 18. This idea of a coherent and systematized pyramid leads Jacques Chevallier to characterize public regulation as a defining feature of "modernity", understood as a "*historical model structured around rationalization, systematicity and coherence*". Within this framework, public regulation appears as a unified and hierarchical system, capable of organizing social relations through centralized authority.

[47] J. CHEVALLIER, "Vers un droit post-moderne ? Les transformations de la régulation juridique », Revue du droit public et de la science politique en France et à l'étranger, 1998, page 5.

[48] See N. THIRION, "Théories du droit – Droit, pouvoir, savoir", 1st edition, Brussels, Larcier, 2011, page 53. « *La loi, en laquelle s'incarne le pouvoir, a essentiellement pour fonction d'interdire ou, tout au moins, de fixer des limites à la liberté des individus* ». See also See F. OST and M. VAN DE KERCHOVE, op. cit., page 11. « Ordre centré sur l'État et la *norme, entendue au sens de commandement impératif et unilatéral, s'imposant sous la menace de contrainte* ». Therefore, public regulation traditionally operates through prohibition and constraint, with State power being understood as the capacity to inflict harm by imposing obligations without the consent of the regulated.

[49] Ibid., page 6.

justice, which confers an "ab initio" legitimacy on the norm, independent of its concrete effects or reception by its addressees[50].

Finally, this model presupposes a correspondence between the territory of political authority and the space of the regulated activity. It is precisely this correspondence that transnational valuation practice destabilizes.

B) Globalisation and the Destabilization of State-Centered Regulation

Globalisation[51] challenges this State-centered model because economic and professional activities increasingly cross borders, while State authority remains largely territorially confined. This is particularly visible in valuation practice, where cross-border transactions require common reference points beyond any single domestic legal order[52].

In such a context, the limits of governmental action become increasingly apparent. Authors thus point to the "*inability of the State to regulate the complexity inherent to globalization*"[53], or even to the idea that the "*globalization of trade would have overcome the hierarchy of norms and would be its great deconstruction*"[54]. The State does not disappear, but its regulatory capacity becomes structurally constrained.

This gap between globalized activities and territorially bounded State authority is where a new form of regulation emerges. The IVS respond to this gap. A private actor, the IVSC, seeks to provide a common valuation language in a field where valuation practices must often be understood, compared and relied upon across jurisdictions.

C) Transnational Private Regulation as a Mode of Norm Production

The regulatory model emerging in this context is commonly referred to as "*transnational private regulation*". As defined by Nicolas Thirion, private regulation is the "*process whereby subjects themselves (…) elaborate directly the norms that will be applicable to them or, at least, participate in a substantial way in their elaboration*"[55]. In this sense, the IVS constitute a form

---

[50] Ibid. These norms are therefore regarded as legitimate by virtue of their source alone, insofar as they are issued by the State, traditionally associated with the pursuit of general interest objectives such as justice and progress.

[51] See ibid., page 145 and page 159. According to Michel Van de Kerchove and François Ost, globalization is characterized by the fact that migratory flows, cultural exchanges, the circulation of information, and economic transactions reach an unprecedented scale. As the authors observe, "*interdependencies intensify to the point of generating a homogenization of expectations, practices and codes*"; flows replace territories and networks replace borders. This shift signals a fundamental transformation in the organization of social and economic relations, in which the distinction between inside and outside progressively loses its operational relevance.

[52] See IVSC, "Professional Insight: Integrating IVS within Deloitte's global approach to valuation", available at https://www.ivsc.org/wp-content/uploads/2021/09/ProfessionalInsight-IntegratingIVSwithinDeloittesglobalapproachtovaluation.pdf. "*Valuations prepared in accordance with guidelines that can be utilized within and across geographies are increasingly critical for organizations, regulators, and local/global markets*".

[53] B. FRYDMAN and A. VAN WAEYENBERGE, op. cit., page 15.

[54] F. OST and M. VAN DE KERCHOVE, op. cit., page 111.

[55] N. THIRION, « Hétéro-régulation, auto-régulation et co-régulation », op. cit., page 89. As the author highlights, such a self-regulation stems from the idea, shared by some, that rules and principles established by economic actors themselves would be better suited, and therefore more effective, than purely public regulation. According to others, such as A. KATZ, such standards developed and followed

of transnational private regulation, as they are standards elaborated on the international scene by a private body composed of actors belonging to the very ecosystem in which these standards are intended to apply[56].

As a consequence of this development, regulation becomes decentered, with "*multiple and heterogeneous systems (...) proliferating*"[57] and "*standards emerging from all sides, proclaimed by as many impromptu legislators, private or public*"[58].

The IVS operate in this environment: they coexist with domestic valuation rules, professional standards, accounting frameworks and sector-specific guidelines.

This multiplication of normative actors also changes how regulation operates.

First, coercion and authority are reconfigured. Whereas State regulation traditionally operates through prohibition and constraint, Foucault's metaphor of the shepherd and his flock helps describe a form of power that guides conduct rather than merely repressing it. In this model, actors are guided towards certain outcomes, such as the production of high-quality valuations, rather than compelled through hierarchical command[59]. This is reflected in the soft normativity of the IVS and in the absence of enforcement powers of the IVSC, which makes the IVS "*voluntary standards*"[60], since they are not imposed by the authority enacting them[61].

Second, this proliferation of regulators is described by François Ost and Michel Van de Kerchove as a shift from the pyramid to the "*réseau*" (network). Unlike the hierarchical pyramid, the network is characterized by horizontal interconnections and fluid interactions[62]. It reflects a "governance process" involving the coordination of actors who are not necessarily State or public bodies[63]. The IVS fit this network model. Their authority depends on their

---

by private groups to organize their economic relations, are subject to the same weaknesses as the market and public regulation, given the lack of theoretical support for the claim that such standards lead to greater efficiency.

[56] See X. DIEUX, "Droit, Morale et Marché", Brussels, Bruylant, 2013, Préface de B. Frydman, page 13. « *Une régulation émanant des milieux où la règle à vocation à s'appliquer* ».

[57] B. FRYDMAN, « Comment penser le droit global ? », in *La science du droit dans la globalisation*, Brussels, Bruylant, 2012, page 18. See also J. CHEVALLIER, op. cit., page 12, talking about an "*anarchical proliferation of rules".*

[58] B. FRYDMAN, « Comment penser le droit global ? », op. cit., page 37. See also pp. 28-29. The author talks about the weakening of traditional State structures having opened an "*ecological niche favorable to the evolution of other normative organisms*".

[59] N. THIRION, « *Théories du droit – Droit, pouvoir, savoir* », op. cit., pp. 67-74.

[60] See B. NILS and B. JACOBSON, op. cit., pp. 127-137. The authors say that "*in principle, following a standard is voluntary*", in the sense that "*the standardizer is not able or willing to force his standard upon others*".

[61] See I. AYRES and J. BRAITHWAITE, "Responsive Regulation – Transcending the Deregulation Debate", New York, Oxford University Press, 1992, page 19. The authors explore the benefits of a regulation balancing a punitive approach with a collaborative approach as punition is expensive, implying resources in disputes, which could be allocated to persuasion. Indeed, such a punitive strategy could create a culture of resistance to regulation for regulated businesses. "*Punitive enforcement engenders a game of regulatory cat-and-mouse where firms defy the spirit of the law by exploiting loopholes*".

[62] F. OST and M. VAN DE KERCHOVE, op. cit., page 23. "*Retis, en latin, le réseau renvoie à l'idée d'un filet, métaphore textile impliquant la présence d'un maillage constitué de fils et de nœuds* ».

[63] Ibid., page 29. « *La gouvernance est le processus de coordination d'acteurs, de groupes sociaux, qui ne sont pas tous étatiques, ni même publics. Il s'agit d'un processus polycentrique et négocié* ».

interaction with States, regulators, courts, VPOs, valuation firms and market actors. They do not replace these actors but are designed to circulate through them.

Within such a fragmented normative landscape, the question is no longer who produces the norm, but which norms prevail. A form of "*natural selection*"[64] emerges, whereby only those norms that achieve sufficient acceptance and practical relevance endure.

This evolution also transforms legitimacy. Unlike State norms, whose legitimacy is traditionally attached to their source, private regulatory instruments must earn their legitimacy[65]. Guarantees such as responsibility of the regulator[66], transparency, procedural openness or the pursuit of a public interest can no longer be presumed; they must be demonstrated[67]. Legitimacy thus becomes an outcome rather than a starting point.

Effectiveness, in turn, becomes a decisive criterion. In line with Peer Zumbansen, a private regulatory framework acquires relevance not through formal authority, but through its uptake by market participants: it is sufficient that "*a sufficient number of market participants endorse these rules to make them matter", that is, that a "rough consensus*" emerges regarding their binding quality[68]. The success of a regulation is therefore driven less by coercion than by coordination and broad adoption[69].

D) Effectiveness as the Analytical Lens of Transnational Private Regulation

In line with Zumbansen, in this thesis, effectiveness refers to the practical capacity of the IVS to orient behaviour, structure expectations and be used by relevant actors as a reference framework. It does not require uniform or complete application; it requires a degree of reception sufficient for the IVS to *matter* within valuation practice.

This is the lens through which the IVS, as a form of transnational private regulation, must be assessed. Chapter 2 examines the modes through which the IVS acquire effectiveness within specific normative environments, including State frameworks, professional organizations and market practice. Chapter 3 then adopts a broader perspective by assessing the extent of their

---

[64] A. KATZ, "Taking Private Ordering Seriously", University of Pennsylvania Law Review, 1996, page 1759.
[65] See F. OST and M. VAN DE KERCHOVE, op. cit., page 122 ; J. CHEVELLIER, op. cit., page 12.
[66] See IVS 2024: "The adoption or use of any International Valuation Standards Council standards by any entity is entirely voluntary and *at the user's risk*".
[67] See B. NILS and B. JACOBSON, op. cit., pp. 21-39. "*Anyone who follows a standard assumes a large portion of responsibility. It is difficult to hold standardizers responsible. There is no laws regulating standardization in itself; anyone may issue standards. There is no legislation which holds standardizers responsible for having given bad advice*". Of course, this raises questions in terms of legitimacy. See also C. SCOTT, F. CAFAGGI and L. SENDEN, "The Conceptual and Constitutional Challenge of Transnational Private Regulation", Journal of Law and Society, 2011, page 1. The authors attest that "*governance powers that were once considered the prerogative of the nation state have emerged in a form where they are exercised by actors distinct from national governments*". They propose the adoption of a more pluralist conception of constitutionalism in order to embrace the activities of private actors.
[68] P. ZUMBANSEN, "Neither 'Public' nor 'Private', 'National' nor 'International': Transnational Corporate Governance from a Legal Pluralist Perspective", Journal of Law and Society, 2011, page 39.
[69] See Appendix 2.

global effectiveness, asking whether the IVS are widely received across jurisdictions, sectors and institutional contexts, or whether their effectiveness remains fragmented.

This distinction between the modes through which the IVS become effective and the broader extent of their global effectiveness will structure the legal qualification of the IVS, undertaken in Part II.

Chapter 2 – Modes of Reception of the IVS

This chapter examines how the IVS gain effectiveness within different normative environments. The term *reception* is used broadly here to designate the ways in which actors integrate the IVS into their normative frameworks, or otherwise mobilize, rely upon or allow them to shape valuation practices. It therefore covers both formal incorporation and the practical mechanisms through which the standards acquire influence[70].

The analysis proceeds by distinguishing State reception (Section 1), professional reception (Section 2) and market reception (Section 3), before showing that these modes may interact in practice (Section 4).

Section 1 – State Reception of the IVS

State reception constitutes one of the strongest possible modes through which the IVS may gain effectiveness. States can connect them to binding norms and regulatory expectations imposed on the actors subject to their authority. The standards are then no longer left only to voluntary adherence, but become supported by public authority.

In line with the broad understanding of reception adopted in this chapter, this section considers two illustrations. The first concerns a situation in which the IVS are incorporated into a binding instrument of State law: the future Ugandan valuation standards (A). The second concerns the case of a public valuation body mobilizing and using the IVS in its internal practice: the Office of the Valuer General of South Africa (B).

A) Incorporation of the IVS into State Law: The Ugandan Valuation Standards

The *Ugandan valuation standards* provide a recent illustration of the incorporation of the IVS into State law[71].

Uganda had long lacked national valuation standards, which weakened the guidance available to valuers and the credibility of valuation practice[72].

In this context, on 4 September 2025, the Parliament of the Republic of Uganda approved the Valuation Bill[73]. The Bill provides that the Minister responsible for land, in consultation with a task force of practitioners, is to elaborate the Ugandan valuation standards[74]. One of the tasks of this professional task force was precisely to "*adapt internationally accepted valuation*

[70] In this sense, the chapter does not assess the overall degree of effectiveness of the IVS. That question will be addressed in Chapter 3. Its more limited purpose is to identify the channels through which the IVS become effective in practice.

[71] See Appendix 10. The interviewee says that the entry into force of these standards is expected to happen later this year (2026).

[72] Ibid. The interviewee explains that valuation practitioners in Uganda had operated in the absence of national valuation standards. This situation created practical difficulties for valuers, who had little formal guidance to rely on when preparing valuations and could therefore face challenges when defending their reports.

[73] See Parliament of the Republic of Uganda, "Real estate sector leaps forward with passing of Valuation Bill", available at https://www.parliament.go.ug/news/4188/real-estate-sector-leaps-forward-passing-valuation-bill.

[74] Republic of Uganda, "*The Valuation Bill*", 13 December 2024.

standards to the Ugandan context"[75]. According to aa, this work has now been completed. He explains that the Ugandan valuation standards were drafted largely on the model of the IVS, with the advice and consultative engagement of the IVSC, and that certain parts were even taken directly from the current version of the IVS[76]. The reception of the IVS is therefore a process of adaptation: the IVS 2024 are partially incorporated and adjusted to the Ugandan context.

Moreover, this Ugandan example does not only concern technical valuation rules. It also establishes a broader institutional framework surrounding these standards, including an institute responsible for licensing, monitoring, research and the updating of standards. In addition, contravention of the valuation standards will constitute professional misconduct and may give rise to disciplinary measures[77]. The Ugandan framework therefore connects IVS-based content to public authority, monitoring and disciplinary consequences.

According to a practitioner, the standards will help harmonize valuation practices across the country while also connecting Uganda to international best practices[78]. The future standards are intended to apply to both public and private sector valuations and, more broadly, to valuers throughout the country[79]. Through the Ugandan framework, the IVS enter domestic valuation practice indirectly and partially, but in a particularly effective manner: once incorporated into national standards, they are no longer merely voluntary standards, but become part of a State-backed normative framework capable of shaping the conduct of Ugandan valuers.

B) Use of the IVS by Public Valuation Bodies: The South African OVG[80]

In some cases, the authority of the IVS arises from their use by public entities, such as public valuation bodies, in the exercise of their functions.

This form of State reception is illustrated by the Office of the Valuer General (OVG) of South Africa, a public valuation body established by the Property Valuation Act of 1 July 2014 and accountable to the Minister of Land Reform and Rural Development[81]. It is responsible for producing valuations used in the sensitive context of land reform[82].

The OVG has shown a strong commitment to the IVS, not only by becoming a member of the IVSC, but also by establishing an internal policy aimed at "*full acceptance and adherence to*

[75] Ibid., page 10.
[76] See Appendix 10.
[77] Republic of Uganda, "*The Valuation Bill*", 13 December 2024, page 12. See also Appendix 10.
[78] See Appendix 10. His statement is particularly revealing in this respect: "*if our market wants to be part of the global market, then it is going to be part of global standard development*".
[79] Ibid.
[80] See Appendix 6.
[81] South Africa, Property Valuation Act 17 of 2014, Government Gazette, 23 July 2014, Chapter 2, Part 1, "Establishment of Office of Valuer-General".
[82] See https://ovg.org.za. The land reform in South Africa is a process aimed at addressing historical injustices, inequality, and the legacy of colonial and apartheid land dispossession through a more equitable redistribution of land. In this context, the OVG supports land reform by valuing land identified by the government for acquisition, ensuring that compensation to former owners is fair and that transfers to new beneficiaries rely on objective and credible valuations.

the IVS". In practice, the OVG places particular emphasis on IVS alignment when introducing new valuation methodologies and when relying on valuations conducted by external valuers. It has therefore implemented a quality-assurance process through which valuations are reviewed against predefined criteria to ensure consistency with both the IVS and national legislation. This process is supported by iterative exchanges with external valuers, aimed at improving their awareness of, and adherence to, IVS requirements[83].

In this case, the IVS are internalized within the daily work of a public institution itself. They function as instruments for ensuring consistency, credibility and trust in valuations carried out for public purposes. This form of reception therefore contributes to the effectiveness of the IVS beyond the OVG's internal practice: by reviewing the work of external valuers against IVS-based expectations, the OVG helps diffuse the standards among professionals who interact with it.

Section 2 – Professional Reception Through Valuation Professional Organizations

Professional reception differs from State reception because the authority of the IVS is mediated not by public institutions, but by private professional organizations. These organizations, commonly referred to as Valuation Professional Organizations (hereinafter: VPOs), may train valuers, update members on standard-setting developments, issue guidance, organize certifications and monitor the professional conduct of their members.

This section first shows the central role played by VPOs in the reception of the IVS (A), before illustrating this mechanism through the example of the RICS Red Book (B).

A) The Central Role of Professional Reception

VPOs are one of the main channels through which the IVS enter professional practice. Through their functions, VPOs may transform the IVS from voluntary international standards into professional expectations capable of structuring the valuation practice of their members. This role is particularly important because valuation remains largely unregulated by States in many jurisdictions[84]. In such contexts, VPOs may become the main institutional actors capable of organizing the profession, disseminating standards and promoting quality in valuation practice.

For present purposes[85], what matters is that, where VPOs are sufficiently structured, they may operate as powerful intermediaries between the IVSC and valuation practitioners. By incorporating, adapting or relying upon the IVS in their own standards, they can broaden the practical reception of the IVS among their members.

[83] The interviewee explains that the OVG has accumulated some delays in its workflow, as it frequently sends valuations back to external valuers in order to promote IVS compliance.

[84] IVSC, "Professional Insight: Integrating IVS within Deloitte's global approach to valuation".

[85] As will be seen in chapter 3, the role of VPOs in the effectiveness of the IVS must be understood carefully. The existence of a VPO does not automatically guarantee effective IVS reception. Its impact depends on the extent to which the VPO actually incorporates the IVS into its standards, reaches individual valuers and monitors compliance.

Practitioners confirm this role: training and certification activities organized by VPOs may disseminate IVS updates[86], while IVSC membership may encourage domestic professional standards to align with the IVS.

This mechanism can be illustrated through the Royal Institution of Chartered Surveyors (RICS), a longstanding VPO member and sponsor of the IVSC.

B) The RICS Red Book: Incorporating the IVS into Binding Professional Standards[87]

The Royal Institution of Chartered Surveyors (RICS)[88] is a private professional organization committed to upholding standards in the public interest. It was incorporated by Royal Charter granted by the UK Government. RICS has thus been empowered by the State to "*establish (...) any regulatory schemes in respect of the activities of its members*"[89]. It is thereby empowered to adopt and enforce professional standards, including its flagship valuation standards, the Red Book Global Standards.

The Red Book applies to RICS-accredited valuers for the valuation tasks they undertake, unless local law provides otherwise. The IVS were incorporated into the Red Book in 2012[90]. This incorporation reflects a long-standing relationship between RICS and the IVSC, as well as RICS' commitment to alignment with international valuation standards. This commitment is also visible in the fact that "*new versions of the IVS are a key driver for updates to the Red Book*"[91], which shows that RICS seeks to maintain alignment with the current international framework.

This alignment is nevertheless not absolute. The interviewee notes that RICS does not always agree with the IVSC and does not automatically incorporate every IVS development. Divergences may arise, particularly because RICS remains predominantly focused on real estate valuation, whereas the IVSC increasingly addresses business valuation, intangible assets and financial instruments. Such divergences remain the exception rather than the norm, but they show that professional reception does not necessarily mean mechanical reproduction of the IVS.

Through their incorporation into the Red Book, the IVS effectively become binding on RICS-accredited valuers, who are trained by RICS to ensure compliance with these standards. This professional binding force is reinforced by RICS' regulatory and monitoring functions. The RICS Regulation team conducts audits of firms' valuation files. In addition, the Valuer Registration Scheme applies to approximately 20,000 members, who must submit annual reports detailing their valuation activities. These reports are reviewed by the Regulatory Surveyors Team, which identifies risks and areas for improvement[92].

---

[86] See Appendix 7.
[87] See Appendix 2.
[88] With more than 130,000 members, RICS is the largest professional body in the valuation field.
[89] RICS, "Royal Charter", available at https://www.rics.org/content/dam/ricsglobal/documents/about-rics/corporate-governance/royal-charter.pdf.
[90] IVSC, "Adoption of the IVS, Case Study – RICS", available at https://www.ivsc.org/wp-content/uploads/2021/09/RICScasestudy.pdf.
[91] See Appendix 2.
[92] https://www.rics.org/regulation/regulatory-schemes/valuer-registration.

The RICS example therefore illustrates a strong form of professional reception. The IVS are not merely referred to by a professional organization; they are incorporated into binding professional standards and supported by monitoring and regulatory mechanisms.

Section 3 - Market Reception of the IVS

By market reception, we refer to the way in which market participants mobilize the IVS, or rely upon them, in valuation practice. Market reception may therefore involve different actors, including clients, investors, valuation firms or other users of valuation reports. The analysis focuses here on international valuation firms.

This focus is justified by their particular position within the valuation market. International valuation firms do not merely apply standards on a case-by-case basis. By incorporating the IVS into their training, methodologies and quality-control mechanisms, they are able to shape the professional conduct of the valuers working within them. Moreover, because these firms occupy a prominent position in the valuation field, their practices may also influence other market actors. As DiMaggio and Powell observe, organizations tend to model themselves on other organizations in their field that they perceive as the most successful[93]. The adoption of the IVS by leading international valuation firms may therefore have effects beyond the firms themselves, by encouraging broader convergence around the IVS within the valuation profession.

Against this background, this section first describes how international valuation firms receive the IVS internally (A), before examining the reasons underlying that internal absorption (B).

A) The Reception of the IVS Within International Valuation Firms

The reception of the IVS within international valuation firms presents two complementary dimensions. On the one hand, the IVS are absorbed internally (1). On the other hand, this internal absorption remains externally cautious, since firms often avoid express statements of IVS compliance (2).

1. Internal Absorption of the IVS

The empirical material suggests that, in most cases, international valuation firms[94] receive the IVS internally, regardless of whether their use is required by the jurisdiction in which they operate. Their reliance on the IVS therefore does not merely reflect legal compliance. Rather,

[93] P. J. DIMAGGIO and W.W. POWELL, "*The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields*", American Sociological Review, 1983, pp. 151-152.

[94] Our research focused on the Big4 (Deloitte, PwC, KPMG and EY), as well as Kroll, Grant Thornton and BDO.

it may be understood as the internalization of a transnational standard within largely unregulated valuation markets[95].

This reception operates through training (a), internal methodologies (b) and quality-control mechanisms (c). Taken together, these elements reveal a form of organizational convergence (d).

a. Training and Professional Socialization

This internal absorption is first visible at the level of training and professional knowledge. According to a professional when a valuer joins an international valuation firm, "*the first thing you get is IVS*"[96]. She further explains that specific training may be organized when new consultations or updates of the IVS are released[97]. More generally, it appears that the Big Four build the training of their valuation teams around requirements based on the IVS[98].

These elements suggest that, within such firms, the IVS form part of the professional knowledge transmitted internally to valuation teams. They operate as a background framework guiding the way valuers understand what a properly conducted valuation should involve. Their reception therefore begins before the valuation report itself, at the stage of professional socialization.

b. Internal Methodologies and Firm-Wide Standards

The internal reception of the IVS is also visible in the way valuation assignments are conducted. In international firms, the IVS are treated as a central reference point, or even as a "*Bible*" of valuation[99]. Professionals from those firms are, in practice, brought into the IVS framework by the organization itself, rather than being left individually to decide whether the IVS should be used[100].

This internal absorption does not take the same form in all firms. In some cases, such as Deloitte, the IVS are integrated through formal internal standards and firm-wide governance

[95] IVSC, "*Professional Insight : Integrating IVS within Deloitte's global approach to valuation*", available at https://www.ivsc.org/wp-content/uploads/2021/09/ProfessionalInsight-IntegratingIVSwithinDeloittesglobalapproachtovaluation.pdf.

[96] See Appendix 7. See also Appendix 3. The interviewee similarly indicates that, even if she is not certain that every training template is expressly checked against the IVS, she is confident that they already meet the minimum requirements of the standards.

[97] See also Appendix 11.

[98] See Appendix 1.

[99] See Appendix 7.

[100] See Appendix 3.

mechanisms, whose consistency with the IVS is ensured[101]. In other firms, such as Kroll[102] or BDO[103], the reception of the IVS appears to result from an informal, yet real, internal practice.

In both configurations, the result is a strong alignment with the IVS. However, IVS reception does not necessarily mean that firms mechanically reproduce the IVS. In some cases, firms internalize requirements that are more demanding than the IVS, while still treating them as the minimum international benchmark[104].

c. Quality Control

Finally, the internal reception of the IVS is reinforced by quality-control and review mechanisms. In Deloitte, internal practice reviews are conducted, with partners reviewing other partners' engagements in order to assess compliance with Deloitte's internal standards, and, therefore, with the IVS[105]. In firms that do not have such formalized internal standards, quality review may take a more flexible form, for example through another partner reviewing the engagement to ensure that the result is coherent and aligned with *best practices*[106]. In both cases, there appears to be a shared expectation of IVS alignment in valuation assignments[107].

d. Organizational Convergence

As a practionner summarizes, these firms have internally ensured that their in-house requirements meet, at a minimum, the IVS. This convergence between international valuation firms may be understood through the lens of isomorphism. Isomorphism describes the process through which organisations operating in the same environment tend to resemble one another because they face similar pressures[108]. International valuation firms serve similar clients, operate in similar markets and are exposed to similar expectations. Their alignment with the IVS can therefore be seen as part of a broader tendency towards organizational convergence within the valuation market.

2. The Avoidance of Formal IVS Compliance Statements

The internal absorption of the IVS within international valuation firms nevertheless has an important limit: it is not always externally signaled through express statements of IVS compliance. This matters for the effectiveness of the IVS. If leading firms apply the IVS internally without openly acknowledging compliance, other valuation firms may not perceive

[101] See IVSC, "*Professional Insight: Integrating IVS within Deloitte's global approach to valuation*". See also Appendix 3. Deloitte has elaborated, in the framework of its project to adopt *Global Approach to Valuation*, its own internal valuation practice standards, applicable across the jurisdictions in which it operates and set by a *Global Valuation Committee*. These internal standards are designed to be consistent with the IVS.
[102] See Appendix 9. See also Appendix 3, as well as Appendix 7.
[103] See Appendix 11.
[104] See Appendix 3.
[105] See Appendix 3.
[106] Ibid. See also Appendix 7, and Appendix 11.
[107] See Appendix 7.
[108] P. J. DIMAGGIO and W.W. POWELL, op. cit., American Sociological Review, 1983, page 149.

the IVS as the standard actually followed by those leading firms. The capacity of such firms to disseminate the IVS across the broader valuation field is therefore reduced.

Signaling theory helps explain this difficulty. Where information is not directly observable by outsiders, its influence depends on whether, and how, it is communicated. Since an effective signal must be observable, internal IVS alignment can only contribute fully to market diffusion if it is externally visible[109]. Yet, as the following analysis shows, international valuation firms often soften that signal by referring to work that is "consistent with" the IVS rather than formally "IVS compliant".

The following analysis first identifies this compliance paradox (a), then explains the legal risk of claiming compliance (b), before showing that consistency language operates as a risk-management device (c).

a. The Compliance Paradox: Internal Reliance, External Caution

International valuation firms appear to rely on the IVS internally, while avoiding the stronger language of formal compliance externally. This creates what may be described as a compliance paradox: the IVS may structure firm-wide valuation practice, while firms remain cautious in describing their work as "IVS compliant". Instead, they prefer to state that their work is consistent with the IVS. This cautious language may also be reflected in the valuation reports prepared by those firms [110].

The distinction is not merely semantic. A statement of consistency signals methodological alignment with the standards, while leaving some flexibility as to the precise degree of adherence. By contrast, a statement of compliance, as specified by IVS 140, suggests that the valuation has satisfied the full set of requirements, including the General Standards and the applicable Asset Standards, as well as relevant local requirements[111]. Compliance language is therefore stronger, but also more legally exposing. Consistency language is softer, but more protective.

This caution appears to be reflected in internal discussions with legal teams, which may consider that "*the firm should not be too adamant in stating that it has complied with the IVS and should instead state that its work is consistent with the IVS"*[112].

The same explanation appears in the minutes of the IVSC Standards Review Board. It was noted that major firms, including the Big Four, could be encouraged either to state that their valuation reports are "IVS compliant" or that such reports are "consistent with" the IVS. The Board was, however, advised that these firms could never state that their reports were IVS compliant because of "*risk issues*"[113].

---

[109] L. CONNELLY, S.T. CERTO and C.R. REUTZEL, "Signaling Theory: A Review and Assessment", *Journal of Management*, 2010, pp. 44-45.
[110] See Appendix 7.
[111] See IVS 140, IVS 2024.
[112] See Appendix 3.
[113] IVSC, « IVSC SRB New York Meeting Update February 2024 », page 6, available at https://ivsc.org/wp-content/uploads/2025/06/IVSC-SRB-New-York-Meeting-Update-February-2024-PDF.pdf.

b. The Legal Risk of Claiming Compliance[114]

Legally speaking, the risk lies in the possible discrepancy between the standard claimed and the standard actually observed. When a firm expressly states that its work complies with a given set of standards, even if those standards are voluntary, it makes a representation about the quality and normative framework of its own performance. Such a representation may become legally relevant as evidence that the firm assumed a particular standard of performance, that the service delivered was defective, that the firm failed to act with the diligence expected from a professional, or that it made a misleading representation to the recipient of the report.

Claiming compliance with the IVS therefore exposes the firm to a more precise form of accountability than merely stating that its work is consistent with them. The voluntary nature of the IVS does not eliminate that risk. Once a professional voluntarily invokes a standard as the benchmark of its own conduct, that standard may become relevant in assessing whether the professional acted with the required diligence.

c. Consistency Language as a Risk-Management Device

The preference for consistency language can therefore be understood as a risk-management device. The point is not that valuation firms disregard the IVS. Rather, they may seek to rely on the IVS while avoiding the additional exposure created by an express statement of compliance. This is consistent with the broader evolution of risk management in professional services firms, where risk includes not only risks affecting the client or the quality of the work, but also the legal, financial and reputational risks borne by the firm itself. As Power observes in relation to accountancy firms, risk came to include not only the risk that financial statements may be misstated, but also the risk of "*financial and reputational losses to auditors themselves*"[115].

In this context, avoiding formal compliance language can be seen as a defensive risk-management technique. The firm preserves the possibility of relying on the IVS as a methodological reference, while reducing the risk that an inaccurate or incomplete claim of compliance will later be used against it. This is particularly understandable for large professional firms, since even limited failures may have broader reputational consequences given the high scrutiny associated with their positions at the forefront of their fields[116].

---

[114] On the broader role of voluntary standards in liability analysis, see G.E. Marchant, "Swords and Shields: Impact of Private Standards for Liability Determinations of Autonomous Vehicles", *Journal of Tort Law*, 2025, vol. 18, no. 1, pp. 321–323, showing that private voluntary standards may be used as evidence of reasonableness or lack of due care. See also C. Coglianese, *Introduction to Voluntary Codes and Standards: A Teaching Guide and Resources*, Penn Program on Regulation, 2022, p. 6. In his teaching guide on voluntary codes and standards, the author says that voluntary codes and standards do not constitute binding law by themselves, but they interact with law in contracts and tort law. Most importantly, he says that codes and standards "permeate business contracts" and are used in tort law to establish a duty of care.

[115] M. POWER, "*The Risk Management of Everything*", London, The Journal of Risk Finance, 2004, page 59.

[116] Ibid., page 62.

Thus, the preference for softer language, such as "*consistent with the IVS*", shows that firms treat the IVS as important enough to shape their methods, but also sufficiently demanding to make formal compliance language risky.

B) Explaining the Internal Absorption of the IVS by International Valuation Firms

Having established that international valuation firms broadly absorb the IVS internally while often avoiding formal compliance statements externally, it remains necessary to explain why these firms rely on the IVS in the first place. The following analysis distinguishes two possible explanations. First, it examines direct client pressure and shows that this explanation remains unsatisfactory (1). Second, it argues that the internal absorption of the IVS is better understood as a response to broader market expectations concerning transparency, consistency and credibility (2).

1. The Limits of Direct Client Pressure as an Explanation

A possible explanation for the adoption of the IVS by international valuation firms could be direct market discipline (a). However, the weak evidence of client awareness of the IVS (b), as well as clients' inability to monitor compliance with the IVS (c) suggest that such an explanation is insufficient.

a. Direct Market Discipline as a Possible Explanation[117]

The reception of the IVS by international valuation firms could be explained by direct market discipline. In this sense, direct client pressure refers to the pressure exercised by clients when they reward or sanction valuation firms according to their use of the IVS. The mechanism would therefore be simple: clients would know the IVS, attach importance to them, require their application, verify whether they have been applied, and ultimately sanction firms that fail to comply with them.

Such a mechanism is familiar in other fields of regulation. In the field of corporate social responsibility, for example, companies may be pushed to respect human rights, environmental standards or labour standards because consumers, investors or commercial partners attach importance to those norms. A firm that fails to respect such expectations may suffer reputational damage, loss of clients or exclusion from business relationships. In such cases, the market contributes to the effectiveness of norms that are not necessarily imposed by State law[118].

---

[117] On market discipline in Corporate Social Responsibility, see R. AYDOGDU, « *La sanction des sociétés par l'Etat et le Marché, Une analyse microscopique de la "régulation" dans le droit des affaires contemporain* », doctoral thesis, Université de Liège. See also R. AYDOGDU, « *La Corporate Social Responsibility, le droit par-delà le marché et l'Etat (partie 1)* », *Tijdschrift voor Rechtspersoon en Vennootschap - Revue pratique des sociétés*, 2016, pp. 669-704. See also R. AYDOGDU « *La Corporate Social Responsibility, le droit par-delà le marché et l'Etat (partie 2)* », *Tijdschrift voor Rechtspersoon en Vennootschap - Revue pratique des sociétés*, 2016, pp. 868-908.

[118] On illustrations about market discipline in financial markets, see J. ARMOUR, C. MAYER, A. POLO, « Regulatory Sanctions and Reputational Damage in Financial Markets", Journal of Financial and

The question is therefore whether a similar mechanism exists in relation to the IVS. If clients knew the IVS, specifically requested their application and sanctioned valuation firms that did not comply with them, the internal reception of the IVS by international valuation firms could be explained by direct client pressure.

However, the empirical material does not support this hypothesis.

b. Weak Evidence of Client Awareness of the IVS

Direct client pressure presupposes that clients know the IVS and attach importance to their application. The interviews suggest that, in general, clients and investors do not appear to be specifically aware of the IVS as such. A practitioner, for instance, states that he has "*never experienced clients expressly requesting the application of the IVS*"[119]. Similarly, in Hong Kong, "*most clients are not aware or even care*" about the IVS[120].

There are, admittedly, specific cases in which clients do require valuations in compliance with the IVS. For instance, in the Luxembourg fund industry, there are specific engagements in which IVS compliance is requested, and that this tendency is becoming more frequent. According to her, this may be linked to increased market volatility and to the desire of clients to know the fair value of their portfolio[121]. Similarly, a practitioner states that he has seen instances in which specific clients, mostly large companies or public actors, explicitly ask for IVS compliance[122].

However, these examples do not prove the existence of direct client pressure in the strict sense. They only show that, in some limited contexts, the IVS may be requested by clients. This is not sufficient to establish a genuine mechanism of market discipline. For such a mechanism to exist, clients must not only request compliance with the IVS; they must also be able to verify whether such compliance has actually occurred.

c. The Monitoring Problem

Awareness is therefore not sufficient. Direct client pressure also requires monitoring. A client can only discipline a valuation firm if it is able to verify whether the IVS have actually been complied with. This condition is not satisfied in valuation practice.

A professional makes this point clearly. A valuation firm may state that it follows the IVS or other valuation standards; however, if the client is not familiar with those standards, the client may not be able to identify whether the report is truly compliant[123]. Unless the client knows how to examine the report and detect non-compliance, the disciplining effect of the market remains weak.

Quantitative Analysis", 2017, pp. 1429-1448. See also J. ARMOUR, C. MAYER and A. POLO, "Naming and Shaming: Evidence from Event Studies", Cambridge University Press, 2021.

[119] See Appendix 9.
[120] See Appendix 3.
[121] See Appendix 7.
[122] See Appendix 11.
[123] See Appendix 3.

This difficulty is even stronger because valuation work contains an invisible dimension[124]. As highlighted by an interviewee, the quality of the valuation process is not always fully observable from the valuation report itself. In valuations for dispute purposes, for instance, part of the work carried out by the valuer may not be fully visible to the client. As a result, even where a client requests IVS compliance, it may be unable to determine whether the standards have actually been applied[125].

A request for IVS compliance is not equivalent to a capacity to discipline non-compliance. Without monitoring, there is no real direct market discipline.

This conclusion can be clarified by contrast with the conditions identified by Van Erp. According to the author, market discipline requires certain conditions, among which institutionalization is particularly important. The author illustrates this through the diamond sector, where "*social control is so powerful and efficient that it even replaces commercial law*"[126]. As she shows, this is possible because the diamond trade is concentrated in relatively closed communities, supported by trade associations and dense information-sharing networks[127]. These features allow market actors to observe conduct, circulate information and sanction non-compliance.

The valuation market does not present the same characteristics. The application of the IVS is technical and often difficult to observe. Unlike environmental damage, human rights violations or other forms of misconduct that may become visible to clients, investors or the public, non-compliance with valuation standards may remain hidden inside the valuation process itself. The relevant conduct is not always apparent from the final report, and clients are not organized within an institutional framework allowing them to detect and sanction non-compliance.

Therefore, direct client pressure does not constitute a satisfactory explanation for the internal reception of the IVS by international valuation firms. This conclusion is consistent with an expert's experience in the Luxembourg valuation market, as she explains that, in her experience, she has "*not commonly seen direct, indirect or explicit pressure from investors, clients or the market to apply a specific internationally recognized valuation framework such as the IVS*"[128].

2. From Direct Client Pressure to Indirect Market Expectations

The absence of direct client pressure does not mean that the market plays no role in the reception of the IVS by international valuation firms. It means, rather, that market influence operates in

[124] See Ibid.

[125] See Appendix 11. He suspects that even where clients expressly request IVS compliance, they may lack effective mechanisms to monitor it.

[126] J. VAN ERP, "Reputational Sanctions in Private and Public Regulation", Erasmus Law Review, 2008, page 150.

[127] Ibid., pp. 155-156. The author explains that the diamond trade is concentrated in closed communities, both in geographic terms (Antwerp and New York) and in socio-cultural terms (it is traditionally the domain of Jewish traders). In both communities, traders have established trade associations that function as platforms for the exchange of information, which facilitates the monitoring of compliance with the rules. All these characteristics make a market discipline possible, which leads the author to say that such a market discipline is only present in markets with a relatively short relational distance, where market actors can thus closely monitor compliance[127].

[128] Appendix 7.

a more indirect way. Clients do not usually request the IVS as such, nor do they have the technical knowledge required to monitor compliance with them. However, when clients appoint large international valuation firms, they generally expect them to deliver valuations that are transparent, consistent and reliable.

This subsection first shows that clients appoint international valuation firms because they expect transparency, consistency and credibility (a), before explaining how firms translate those expectations into internal IVS alignment, through stakeholder management and by treating the IVS as a proxy for market expectations (b).

a. Transparency, Consistency and Credibility as Client Expectations

Although clients do not generally require international valuation firms to apply the IVS specifically, this does not mean that they are indifferent to valuation quality. Their expectations are simply not usually formulated in technical terms, by reference to a named valuation standard.

Rather, when clients appoint international valuation firms, they expect valuations that are transparent in their reasoning, consistent in their methodology, reliable in their assumptions and defensible.

As a valuer points out, "*rather than a matter of pressure, the expectation from the client is typically one of transparency and consistency*"[129]. This statement captures the central point. It confirms that clients expect work consistent with the quality normally associated with a large international firm[130].

Thus, clients do not merely purchase a valuation report; they also purchase the credibility attached to the firm producing it. By appointing a large or reputable valuation firm, the client assumes that the firm will use the standards, internal controls, methodologies and best practices necessary to produce a credible valuation. The client may not know whether this means IVS or another professional framework. What matters is that the client expects the firm to know which recognized standards and practices are necessary to ensure transparency and consistency.

Accordingly, a professional explains that, where a client wants quality, the decisive element is not necessarily the specific standard followed, but the firm itself. With global and large firms, clients have greater comfort that the firm will follow best global practices, whether these are IVS, CBV or another recognized framework[131]. This confirms that the client's expectation is usually not attached to the IVS as a named instrument. It is attached to the professional reliability of the firm and to the assumption that such a firm will apply the appropriate international best practices.

[129] Ibid.
[130] See Appendix 9.
[131] See Appendix 3.

Similarly, an expert suspects that, when clients approach an international firm, they seek the credibility attached to the firm's name, which implicitly carries an expectation that recognized professional standards, and best practices will be respected[132].

This is where an indirect form of market discipline appears. The sanction does not occur after the report, through a client verifying line by line whether the IVS were complied with. It operates earlier, at the stage of selection. Clients choose large firms because they believe that those firms are more likely to apply recognised standards, robust methodologies and global best practices. Conversely, firms that are not perceived as capable of delivering that level of transparency, consistency and credibility risk not being selected.

The market sanction is therefore ex ante and reputational. It does not consist in a direct punishment for failing to apply the IVS by name. It consists in the risk of being excluded from certain mandates because the firm is not perceived as sufficiently credible, professional or aligned with international best practices. In that sense, market discipline exists, but only in an indirect and softened form. Clients do not discipline IVS non-compliance directly ; they select firms that they trust to deliver the qualities that standards such as the IVS are designed to secure[133].

This indirect form of market discipline may also be reinforced by the intervention of other professional actors. An expert gives the example of financial reporting valuations in Hong Kong. As she highlights, some practitioners may adopt a low-cost business model consisting essentially in inserting management forecasts into a valuation model without sufficiently diligencing those forecasts or assessing their risk. It is explained that when large audit or valuation firms review the work of external valuers, they may put pressure on the client not to appoint the same practitioner again where the valuation work is considered seriously deficient[134]. The sanction is therefore indirect and operates through the client's future selection of valuation providers. International valuation firms may thus act as intermediaries or amplifiers of indirect market discipline, by influencing whether lower-quality practitioners continue to receive mandates.

b. The IVS as a Response to Client Expectations

The next question is how international firms translate these broad client expectations into internal IVS alignment. The answer is that international valuation firms identify those expectations through their relationships with stakeholders (i) and then use the IVS as a recognized framework capable of supporting them (ii).

(i) Stakeholder Management and the Identification of Client Expectations

[132] See Appendix 11.

[133] Ibid. : « *La sanction intervient dans la qualité et dans le choix de l'entreprise par le client. Donc, pas de sanction directe mais plutôt indirecte, qui vient du fait que le client ne vient pas chez toi car ta réputation n'est pas meilleure que celle des autres, et donc le client va vers celui qui a une meilleure réputation* ».

[134] See Appendix 3.

Stakeholder theory helps explain the first step of this process: the identification of market expectations[135]. Applied here, it shows that international valuation firms do not only respond to formal legal requirements, but also to the expectations of clients. Through stakeholder management, which requires simultaneous attention to the legitimate interests of all appropriate stakeholders, including clients[136], international valuation firms identify expectations of transparency, consistency and credibility in valuation work.

If stakeholders expect transparency, consistency and credibility, international valuation firms have an incentive to organize their internal practices around standards capable of supporting those qualities. This becomes crucial, as a good stakeholder management enhances a firm's relations with its stakeholders, which constitutes a "*valuable, rare, inimitable and non-substitutable resource"*[137]. Indeed, it has been demonstrated that stakeholder management "*both helps a well-performing firm to sustain superior profits and helps a poorly performing firm to move out of its disadvantageous position more quickly*"[138]. In this sense, IVS alignment may be understood as part of a broader stakeholder-management strategy: firms respond to market expectations by organizing their valuation practices around standards capable of producing credibility and trust.

(ii) The IVS as a Proxy for Transparency, Consistency and Credibility

The second step is the translation of those expectations into IVS alignment. The IVS function as a proxy for the qualities expected by the clients. They provide international valuation firms with a framework through which transparency, consistency and credibility can be produced and demonstrated.

The interviews confirm that members of these firms see such characteristics in the IVS. Thus, an expert describes the IVS as a framework that structures valuation work and helps ensure coherence, transparency and methodological quality[139]. Similarly, a professional makes this point from the perspective of cross-border consistency. In her view, valuation requires different valuers, even if located in different countries, to reach broadly similar conclusions when valuing the same asset under the same framework. Without such standards, each valuer could rely on his or her own view of how the valuation should be conducted, producing inconsistency[140].

This explains the process through which internal practices become aligned with the IVS. Firms do not necessarily begin from a client instruction requiring IVS compliance. Rather, they identify broader client expectations for transparency, consistency and defensibility. They then rely on the IVS because professionals from those firms perceive them as a credible framework for producing those qualities. The IVS are internalized because they help firms translate a

[135] T. DONALDSON and L.E. PRESTON, "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications", The Academy of Management Review, 1995, pp. 66-67.
[136] Ibid., page 67.
[137] J. CHOI and H. WANG, "Stakeholder relations and the persistence of corporate financial performance, Strategic Management Journal, 2009, pp. 895-896.
[138] Ibid., page 903.
[139] Appendix 11.
[140] Appendix 7. See also Appendix 12.

general market expectation of professionalism into concrete valuation practices, methodologies, training and review processes.

Section 4 - Interaction Between State, Professional and Market Reception

The modes of reception examined throughout this chapter should not be understood as hermetically separated categories. Although State reception, professional reception and market reception can be distinguished analytically, they frequently interact in practice. In some cases, one mode of reception may even generate or reinforce another. This final section illustrates that interaction through the Nigerian Valuation Standards, commonly referred to as the Green Book. The Nigerian example is particularly useful because it shows how the reception of the IVS may result from a combined professional and regulatory framework, before producing effects at the level of the market.

Nigeria adopted the *Nigerian Valuation Standards* in 2019. These standards were elaborated within a professional-regulatory framework involving both a statutory regulatory body and the national valuation professional organisation.

The statutory body is the *Estate Surveyors and Valuers Registration Board of Nigeria*, known as ESVARBON[141]. ESVARBON was established by the *Estate Surveyors and Valuers Registration Act of 29 August 1975*[142]. Under section 2(d) of that Act, it is empowered to regulate and control the practice of estate surveying and valuation in Nigeria. This gives ESVARBON a public regulatory function. The *Nigerian Institution of Estate Surveyors and Valuers*, known as NIESV, operates, by contrast, as the professional institution representing the profession[143]. The Green Book therefore emerges from the interaction between a State-created regulatory body and a VPO. It is neither purely State law nor merely voluntary professional guidance. It is situated at the intersection of public regulation and professional self-regulation.

Both ESVARBON and NIESV are institutional members of the IVSC. According to a professional this institutional connection facilitated the reception of the IVS into the Nigerian framework[144]. More specifically, the Green Book incorporates the IVS 2017. Her interview also shows that this reception remained largely formal. In her words, "*what we have done in the Green Book is simply to take the IVS and make them the Nigerian Valuation Standards*"[145]. The Nigerian standards therefore received the IVS, but without substantially adapting them to the specific legal, economic and market realities of Nigeria.

This professional-regulatory reception has important normative consequences. Registration with ESVARBON is necessary in order to practice as a valuer in Nigeria, and since the Green

[141] See https://www.esvarbon.gov.ng.
[142] Estate Surveyors and Valuers (Registration, etc.) Act, No. 24 of 1975, 29 August 1975, Laws of the Federation of Nigeria 2004, Cap. E13, s. 2(d).
[143] See https://www.niesv.org.ng.
[144] See Appendix 12.
[145] Ibid.

Book is mandatory for registered valuers[146], the Nigerian Valuation Standards have a stronger normative status than merely voluntary professional guidance.

This framework may then produce market effects. If Nigerian valuation firms and valuers are required to comply with the Green Book, and if the Green Book incorporates the IVS, then the use of the Nigerian Valuation Standards by firms may lead to an indirect market reception of the IVS. However, this point must be formulated carefully. The fact that firms are required to comply with the Green Book does not automatically prove that they effectively apply the IVS in practice. Formal obligation and actual market reception are not identical.

The interview with a professional provides evidence of such market reception. As head of valuations in a Nigerian valuation firm, she states that both she and her firm carry out valuation work consistently with the Green Book and, through it, with the IVS. She also refers to a training program through which approximately 113 valuation firms were trained to carry out IVS-compliant valuations in Nigeria. According to her, this was organized as a "train the trainer" arrangement: representatives of valuation firms were trained and were then expected to return to their organisations in order to train other valuers on how to conduct valuations in compliance with the IVS[147]. This suggests that the IVS are not only formally incorporated into Nigerian standards but are also transmitted into valuation practice through firm-level training and implementation.

Nigeria therefore illustrates a cumulative form of reception. The IVS are first received through the Nigerian Valuation Standards, elaborated within a framework involving both the statutory regulator and the professional organisation. This professional-regulatory reception then creates the conditions for market reception, as valuation firms use the Green Book in their valuation work and are trained to conduct IVS-compliant valuations.

Conclusion

This chapter has shown that the practical effectiveness of the IVS results from a blend of State reception, professional reception and market reception, which may operate separately but may also reinforce one another.

Having identified and illustrated the mechanisms through which the IVS may gain effectiveness in practice, it is now necessary to take a step back. The following chapter will therefore assess the overall degree of that effectiveness by examining the extent to which the mechanisms outlined in this chapter result in broad practical uptake on the ground, or whether that effectiveness remains partial, uneven or dependent on specific institutional and market environments.

[146] The Nigerian Institution of Estate Surveyors and Valuers, "*Draft of the Nigerian Valuation Standards, The Green Book",* available at https://niesv.org.ng/newsdocs/Green_Book.pdf.
[147] See Appendix 12.

Chapter 3 – Effectiveness of the IVS

Section 1 - Global Reception and Fragmented Effectiveness of the IVS

After identifying the different modes through which the IVS acquire practical effect, it is possible to step back and assess the extent of their effectiveness. The aim is no longer to show that the IVS are formally adopted, incorporated or relied upon in particular settings, but to determine whether they actually circulate as a transnational normative framework for valuation practice. After establishing their broad circulation across jurisdictions, asset classes and institutional settings (A), this section will show that their effectiveness remains fragmented (B).

A) Broad Circulation of the IVS Across Jurisdictions, Asset Classes and Institutional Settings

From the empirical material gathered, the IVS appear as one of the few valuation standards capable of circulating across jurisdictions, asset classes and institutional settings.

They circulate geographically, since they are known and, in some cases, used in European markets such as the Netherlands[148], Luxembourg[149] and Belgium[150], in Asian contexts such as Singapore[151], and in African jurisdictions such as Nigeria[152], Uganda[153] and South Africa.

The IVS also circulate across asset classes. As an expert notes, one of their distinctive features is that they are "*the only internationally recognized valuation standards applicable to the different categories of assets*"[154]. They are therefore relevant not only for real estate valuations, but also for business valuations and other forms of valuation practice.

[148] See Appendix 9.
[149] See Appendix 7.
[150] Ibid. When talking about the Belgian case, she says that "*people are aware of IVS there, for sure (I am absolutely sure). But I don't think that there is a consolidation of market in terms of IVS*".
[151] N. KONIALIDIS, op. cit. Singaporean case law provides a useful illustration of judicial awareness of the IVS, with at least fifteen judgments since 2002 containing explicit references to these standards.
[152] Appendix 12.
[153] See Appendix 10.
[154] See Appendix 7.

Finally, they circulate across institutional settings: they may be referred to by regulators[155], incorporated by VPOs, used internally by international valuation firms, mobilized by courts[156] and experts[157], or taken into account in the drafting of national legislation.

B) Fragmented Effectiveness of the IVS

It would be misleading to infer from this broad circulation of the IVS that their effectiveness is uniform or complete. On the contrary, their effectiveness remains fragmented. The IVS may be strongly embedded in certain contexts, while remaining weakly known, weakly enforced or only partially used in others. This fragmentation appears across regions and countries (1), and across sectors within the same national market (2).

1. Fragmentation Across Regions and Countries

First, effectiveness differs across regions. In Europe, the IVS are relatively well known[158], even where they are not directly imposed by law. However, in Latin America, IVS effectiveness appears, in general, to face greater institutional and practical weaknesses[159].

In Africa, the situation appears to be uneven. Some jurisdictions, such as Uganda[160] and Nigeria, appear to be moving more actively towards the adoption and enforcement of IVS-based standards, while others, such as Kenya, show a more fragile form of reception despite the adoption of national standards inspired by the IVS. This unevenness can partly be explained by the fact that Africa cannot be treated as a single valuation market. Its valuation systems are shaped by different historical and institutional traditions: Francophone Africa, Commonwealth Africa, Portuguese-speaking Africa and North Africa do not necessarily share the same

[155] See, for example, Circular CSSF 22/824, 27 September 2022, by which the CSSF applies the EBA Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06). Those Guidelines refer to the IVS in relation to collateral valuation, requiring institutions to ensure accurate valuation in accordance with applicable international, European or national standards, including the IVS, TEGoVA Standards or RICS Standards. See also CSSF, *Self-assessment Questionnaire for the collective investment sector* (2026), on file with the author, where IVS 105 is used to clarify the concept of valuation models in the context of valuation oversight. These references illustrate an administrative form of reception: the IVS are not transformed into statutory law, but are functionally integrated into supervisory expectations applicable to supervised entities.

[156] See, for example, *Kiri Industries Ltd v Senda International Capital Ltd and another and other appeals* [2022] SGCA(I) 5. In that case, which arose in the context of a minority oppression dispute and concerned the valuation of shares for the purposes of a buyout order, the Singapore Court of Appeal examined competing expert valuation methodologies and noted the relevance of the International Valuation Standards as a methodological benchmark. The IVS do not thereby acquire binding force as such, but such references show that they may be mobilized by courts when assessing the robustness and professional acceptability of valuation evidence.

[157] See Appendix 9, Appendix 3 and Appendix 1. These interviews suggest that, in valuation disputes, the IVS may influence expert practice even where they are not expressly invoked in the expert report. Some profesionals indicate that experts from large valuation firms may rely on IVS concepts, definitions or methodological requirements implicitly. An interviewee explains this tendency by reference to cross-examination risk: experts "tend to be compliant" because failure to follow accepted valuation practice may lead to their professional discredit. This illustrates a form of implicit reception, in which the IVS operate as a benchmark of professional credibility rather than as formally invoked binding standards.

[158] Appendix 9.

[159] See Appendix 5.

[160] See Appendix 10.

professional structures, regulatory traditions or relationship to international standards[161]. These differences affect the adoption of the IVS and explain why their effectiveness may be gradual and uneven.

2. Fragmentation Across Sectors Within the Same National Market

Fragmentation also exists across sectors within the same national market. Hong Kong and Panama are particularly useful examples. In both cases, the IVS appear to be more present in real estate valuation, where professional bodies play a strong role in their effectiveness[162], than in business valuation, financial reporting or litigation valuation, where the IVS are mandated neither by the regulator nor by a VPO[163]. In Panama, for instance, a practitioner explains that the financial and business valuation segment remains poorly structured, and that the IVS are practically absent[164].

A similar pattern can be observed in several African contexts examined above. Where the IVS are most clearly entrenched, their reception occurs through real estate valuation, a sector that is more prevalent, more institutionalized and more closely connected to professional bodies or public valuation needs. This shows that their effectiveness depends heavily on the degree of development and institutionalization of each valuation sector[165].

Section 2 - Reasons Underlying the Fragmented Effectiveness of the IVS

The fragmented effectiveness of the IVS can be explained by two main factors. First, their effectiveness depends on the institutional infrastructure of the valuation profession (A). Second, it also depends on the perceived legitimacy of the IVS and the IVSC (B).

A. Fragmented Institutional Infrastructure of the Valuation Profession

The fragmented effectiveness of the IVS can first be explained by the uneven institutional development of the valuation profession itself. Valuation is a relatively recent autonomous profession. Historically, valuation activities have often been absorbed by neighboring

---

[161] Ibid.

[162] In Hong Kong real estate valuation is dealt with by the Hong Kong Institute of Surveyors, a VPO member of the IVSC, which plays an important role and has standards are closely aligned with the IVS. Panama presents a comparable configuration. In real estate valuation, the Instituto de Valoraciones y Peritajes de Panamá (IVAPPAN) is a member of the Union Panamericana de Asociaciones de Valuacion (UPAV), which is itself member of the IVSC. The UPAV brings together VPOs from the American continent and the Iberian Peninsula. It presents itself as a regional professional body representing valuation associations across several countries and promotes the development of professional valuation practice, including through the dissemination of the International Valuation Standards (IVS). As a result, the IVS are significantly referenced in real estate valuations.

[163] See Appendix 3.

[164] See Appendix 5.

[165] See E. FERNANDEZ, "The International Valuation Standards Council – Building Trust in Valuation", available at https://www.fig.net/resources/proceedings/fig_proceedings/fig2014/papers/ts11f/TS11F_fernandez_7352.pdf. The sectoral fragmentation we describe confirms Elvin Fernandez's observation that "*while credentials and the accompanying monitoring and enforcement framework exist for certain aspects of valuing real estate, there are few professional bodies concerned with the valuation of financial instruments, businesses and intangibles*.

professions, such as accountancy. Only in some jurisdictions has valuation progressively differentiated itself from these adjacent professions and developed its own institutions, qualifications, professional bodies and standards. In others, this process remains incomplete[166]. As Tarek Madany observes, the valuation profession already benefits from globally recognised standards through the IVS, but remains fragmented in terms of education, entry requirements, credentials, oversight, ethics and disciplinary mechanisms[167].

This uneven professionalization has direct consequences for the reception of the IVS. Where the valuation profession is structured around specialized institutions, the IVS can be taught, interpreted, monitored and integrated into professional practice. Where such institutions are absent, weak or poorly coordinated, the IVS may remain formally known but practically fragile[168].

Because institutional infrastructure varies significantly from one context to another, the fragmented effectiveness of the IVS does not take a single form. In some contexts, specialized VPOs are absent, so one of the main channels of IVS effectiveness is missing (a). In others, such organisations exist but lack enforcement capacity or coordination with regulators, so that IVS-based standards may be formally adopted but unenforced in practice (b). Finally, where the valuation profession is already mature and structured by strong domestic standards, the IVS face a different difficulty: they must coexist with pre-existing credentials, practices and regulatory expectations (c).

a. Absence of Specialized VPOs: Panama, Hong Kong, and Belgium

A first configuration of limited effectiveness appears where there is no specialized VPO. Where no such a body exists, the IVS lose an important institutional vehicle of effectiveness: there is no specialized organisation capable of promoting them, incorporating them into professional training, monitoring their use or creating consequences for non-compliance. In such contexts, the IVS may still be used, but their effectiveness depends mainly on the voluntary initiative of

[166] This incompleteness may take different forms. In some jurisdictions, valuation has not developed as a clearly autonomous profession at all (see Belgium). In others, professionalization is concentrated mainly in real estate valuation, while business valuation, financial reporting valuation or litigation valuation remain less structured (see African countries, Hong Kong or even Panama). In more mature markets, by contrast, valuation may be institutionalized across several branches, including both real estate and business valuation (see Canada).

[167] T. MADANY, "Is the Valuation Profession Missing its IFAC Moment?", available at https://www.linkedin.com/pulse/valuation-profession-missing-its-ifac-moment-dr-tarek-madany-kt37f/?trackingId=66mZA6YUUUT4qCBOANbp9w%3D%3D.

[168] See E. FERNANDEZ, "The International Valuation Standards Council – Building Trust in Valuation", available at https://www.fig.net/resources/proceedings/fig_proceedings/fig2014/papers/ts11f/TS11F_fernandez_7352.pdf. The author states that: "*Across many jurisdictions worldwide, the valuation profession is highly fragmented, and the maturity of the profession varies across valuation specialities, asset classes and countries. While credentials and the accompanying monitoring and enforcement framework exist for certain aspects of valuing real estate, there are few professional bodies concerned with the valuation of financial instruments, businesses and intangibles. This is beginning to change*".

particular actors, especially international valuation firms or individual practitioners, rather than on a structured professional framework[169].

This absence deprives the IVS of one of their main channels of reception and weakens the professional environment in which valuation standards are supposed to operate.

Belgium illustrates this difficulty in a specific form. The Belgian valuation profession is weakly institutionalized and does not have a VPO, which could be attributed to the linguistic and administrative fragmentation of the country[170]. As a result, as an expert highlights that, in some cases where the law requires a business valuation, the task is formally entrusted to registered auditors or accountants, even though, in large firms, the actual valuation work is often performed by valuation specialists within M&A, corporate finance or valuation departments[171]. The absence of a specialized valuation profession means here that valuation is absorbed by neighboring professions, which may reduce the visibility, autonomy and effectiveness of valuation standards such as the IVS.

In Panama and Hong Kong, this pattern also appears, especially for business valuations and valuations for financial reporting purposes. In these fields, the distinction between valuers and accountants remains weak, and the market may assume that "*an accountant could know how to do valuations*"[172]. Furthermore, in Panama, business and financial valuation practice is largely structured by IFRS[173] and by regulatory requirements concerning financial reporting, rather than by a specialized valuation profession or by a VPO capable of promoting and enforcing the IVS[174].

These examples show that the absence of a VPO does not merely weaken formal IVS adoption. It affects the entire professional environment in which the standards are supposed to operate. Without a body capable of educating valuers, distinguishing valuation from neighboring professions, aligning domestic practice with international standards and creating consequences for non-compliance, the IVS may remain peripheral, even if some sophisticated actors continue to apply them voluntarily.

---

[169] See Appendix 3 and Appendix 5. The interviewees use and comply with the IVS even if they are not required by the law nor by a VPO.

[170] See Appendix 7.

[171] See Appendix 11. In the context of the new regime on capital gains on financial assets, the new article 102, § 4, al. 3 of the Income Tax Code 1992 provides that, for certain financial assets, the taxpayer may determine their value as at 31 December 2025 on the basis of a valuation carried out, by 31 December 2027, by a registered auditor or a certified accountant, provided that the professional is not the taxpayer's usual adviser. This does not mean that Belgian law generally reserves valuation work to auditors or accountants. It rather illustrates that, in specific legal contexts, valuation tasks may be channelled through neighbouring regulated professions rather than through a specialized valuation profession. See IRE, Communication 2026/01, "Projet de loi impôt sur les plus-values – rôle du réviseur d'entreprises – état des lieux", 3 February 2026; IRE, "Nouvelles missions de valorisation dans le cadre de l'impôt sur les plus-values", 13 April 2026.

[172] See Appendix 3.

[173] Although transnational in origin, IFRS have been adopted in Panama and are required for entities supervised by the Superintendencia del Mercado de Valores, thereby forming part of the national regulatory framework. While not valuation standards stricto sensu, they may frame valuation practices where valuations are prepared for financial reporting purposes.

[174] See Appendix 5.

b. Deficient Enforcement of IVS-Based Standards by VPO

A second configuration of limited effectiveness arises where VPOs exist and formally adopt IVS-based standards but lack the capacity to monitor and enforce their application.

Kenya provides a useful example. The Institution of Surveyors of Kenya[175], a VPO member of the IVSC, adopted the *Kenyan Valuation Standards 2021*. According to a professional, these standards were designed to remain as local as possible while avoiding excessive divergence from the IVS[176]. This constitutes a clear form of professional reception of the IVS. However, such reception remains incomplete where the VPO cannot ensure that its members actually apply those standards in practice. A professional's broader observation is important in this respect: in Africa, several professional organisations are members of the IVSC, but the real gap lies in whether institutions are able to verify compliance with the standards[177].

South Africa and Nigeria confirm the same difficulty. In South Africa, a practitioner indicates that the IVS have long been prescribed through the regulator (the South African Council for the Property Valuers Profession[178]) and the South African Institute of Valuers[179], both of which are connected to the IVSC ecosystem as members. Yet valuation reports are not effectively monitored for IVS compliance in practice[180]. Furthermore, in Nigeria, the monitoring of the Green Book also appears imperfect[181].

The difficulty is therefore not the absence of a VPO or the absence of IVS-based standards, but the weakness of enforcement. An interviewee explains the institutional reason clearly: in many African countries, licensing and registration fall within the competence of regulatory bodies, while VPOs are responsible for professional standards and training. However, regulators and VPOs have not managed to coordinate effectively, which leaves enforcement deficient[182].

A professional identifies a related educational difficulty in Nigeria: although monitoring bodies, laws and standards exist, some valuers lack the capacity to implement the IVS properly, especially beyond real estate and tangible assets. The result is that awareness of the IVS exists, but enforcement and practical implementation remain incomplete[183].

This configuration shows that VPO reception is not sufficient by itself. A VPO may adopt IVS-based standards and participate in the IVSC network, but the effectiveness of that reception depends on its ability to reach individual valuers and to link professional standards with credible monitoring and disciplinary consequences. Where that link is missing, the IVS may be formally present within the institutional framework while remaining unevenly internalized in daily valuation practice.

---

[175] See https://isk.or.ke.
[176] See Appendix 4.
[177] Ibid.
[178] See https://www.sacpvp.co.za.
[179] See https://saiv.org.za.
[180] See Appendix 6.
[181] See Appendix 12.
[182] See Appendix 4.
[183] See Appendix 12

c. Mature Institutional Frameworks as Filters of IVS Reception: The CBV Institute Example[184]

A third and more paradoxical form of limited reception appears in mature valuation markets. In these contexts, the difficulty does not result from weak institutionalization, but from the strength of pre-existing institutional frameworks. Canada provides a useful example through the CBV Institute, the leading Canadian VPO dedicated to business valuation. The Institute grants the Chartered Business Valuator designation, sets professional and ethical standards for its members, provides specialized and rigorous training and operates quality assurance and complaints mechanisms. It therefore represents a highly institutionalized professional environment for business valuation[185].

This is precisely why Canada illustrates the tension. As a practitioner explains, the Canadian business valuation profession developed earlier than in many other jurisdictions, when accountants identified the need for a specialized business valuation profession. The CBV Institute therefore built its own standards, training framework and professional culture before the IVS became a central international reference. Those standards are embedded in a mature professional framework, supported by recognized credentials, specialized and rigorous training and market trust.

This maturity explains the specific form of IVS reception by the CBV Institute. The CBV Institute has long supported the IVSC and, according to a professional, has "*always been a force in the development of the IVS*". However, when it incorporated the IVS 2023, it did not simply replace its domestic standards with them. Instead, it *allowed* members to use the IVS alongside the domestic CBV framework. This cautious approach reflects the fact that CBV standards were already deeply entrenched in practice, notably through their three levels of reports[186] and that the CBV designation itself carries significant market credibility.

This Canadian example therefore shows that mature institutionalization may limit full IVS reception, not because the local framework is deficient, but because it is already strong. In such a context, the IVS may be recognised as an international reference, but they do not necessarily displace domestic standards that are more closely connected to a specific professional community, training system and market culture. The reception of the IVS is therefore filtered by the density and success of the existing professional order.

This confirms a broader point: institutional infrastructure does not only facilitate the effectiveness of global standards. Depending on its historical development and normative density, it may also limit, reshape or relativize that effectiveness. The IVS are therefore most

[184] See Appendix 8.
[185] https://cbvinstitute.com.
[186] See Appendix 8. The CBV Standards distinguish three levels of valuation reports, depending mainly on the scope of work, depth of analysis, corroboration of information, and level of assurance provided. A Comprehensive Valuation Report is the most detailed: it is based on an extensive review and analysis, with significant independent corroboration. An Estimate Valuation Report involves a substantial but less extensive scope of work, with a moderate level of corroboration. A Calculation Valuation Report is the least extensive: it is based on a more limited scope of work, may rely more heavily on client representations, and is generally appropriate only in more limited circumstances. See https://cbvinstitute.com/wp-content/uploads/2020/02/Practice-Standard-No.-110-E-2009.pdf.

visible where they fill an institutional gap. Where the profession is already mature, their role may be less transformative, because similar principles may already be embedded in domestic standards[187]. Limited visibility should therefore not be confused with substantive non-compliance: valuations performed under such mature frameworks may remain broadly consistent with the IVS, even where the IVS are not expressly invoked.

B. African Reception of the IVS: Representation, Participation and Perceived Legitimacy

The African case raises a different challenge: the perceived legitimacy of the IVS standard-setting process itself. Following Suchman, legitimacy may be understood as a generalized perception that the process through which the IVS are elaborated is desirable, proper or appropriate[188].

Interviews with professionals from some African countries suggest that the reception of the IVS in these parts of Africa may be hindered by the perception that the standards are externally *imposed*[189]. A professional explains that her efforts to promote the IVS in Sub-Saharan Africa have sometimes been criticized as neo-colonialist[190]. This resistance cannot simply be dismissed as rhetorical. It points to a deeper legitimacy issue: if African actors feel that they do not have a meaningful seat at the standard-setting table, they may be less inclined to perceive the IVS as their own standards.

This concern is reinforced by the composition of the IVSC standard-setting boards. On the basis of the data reproduced in Appendix 14, North America (39.66%), Europe (31.03%) and Asia (20.69%) dominate the Business Valuation Board, Financial Instruments Board, Standards Review Board and Tangible Assets Board, while Oceania (5.17%), Africa (3.45%) and South America (0%) are far less represented. This numerical imbalance may create, on the ground, the perception that African needs and realities are insufficiently reflected in the drafting of the standards.

A parallel may be drawn with the literature on the legitimacy of the International Accounting Standards Board. Some authors show that, in the IFRS context, weak participation from African and South American constituents has generated legitimacy concerns[191]. Their analysis is useful because it recalls that geographical representation in technical standard-setting is not purely symbolic. Standard-setting has a political dimension[192], since standards embody choices that affect behavior[193].

---

[187] See Appendix 9.
[188] M. C. SUCHMAN, "Managing Legitimacy: Strategic and Institutional Approaches", The Academy of Management Review, 1995, pp. 573-574. More specifically, this is what the author call "procedural legitimacy".
[189] See Appendix 6.
[190] See Appendix 4.
[191] WINGARD and J. BOSMAN and AMISI "*The legitimacy of IFRS: An assessment of the influences on the due process of standard-setting*", 2016, page 134.
[192] Ibid., page 141.
[193] R. CHANTIRI-CHAUDEMANCHE, "*L'élaboration des normes comptables ou l'art de persuader : La rhétorique du normalisateur à travers la littérature*", Comptabilité Contrôle Audit, 2013, page 39.

However, this point must be handled carefully. Low geographical representation does not automatically mean that the IVS lack legitimacy. Technical boards may legitimately be composed on the basis of expertise, and expertise is itself an important source of legitimacy. A purely numerical critique would therefore be insufficient[194]. The stronger argument is more nuanced: limited African representation may weaken the perceived legitimacy of the IVS if it appears to produce standards insufficiently connected to African valuation realities. This is why the IVSC's broader engagement with Africa is important.

The Ugandan example illustrates how this legitimacy difficulty may be mitigated through engagement. A practitioner explains that Uganda became highly receptive to the IVS because of engagement with the IVSC, understanding of its agenda, involvement in IVSC leadership and participation in its research and think-tank activities[195]. The reception of the IVS was therefore not perceived simply as external imposition, but as the result of partnership, alignment of objectives and the resolution of common problems.

The project of the *IVS Africa Desk* is significant in the same respect. As a practitioner explains, the Ugandan government, together with the IVSC and other stakeholders has decided to create an IVSC office in the country, which will open soon. This Africa Desk will be a continental desk intended to address African challenges by being closer to the ground. This proximity matters: it may make the standards easier to accept because they will be accompanied by education, research, local engagement and institutional support[196].

In this context, an expert's remarks are insightful, as he links African buy-in to participation in the standard-setting process itself. In her view, acceptance requires African practitioners not only to apply the IVS, but also to influence them. Before placing items on the IVSC agenda, she stresses the need to consult practitioners on the ground and identify the issues that matter in African contexts, such as communal land valuation. As she further states, "*for one to have full acceptance and recognition, you must walk with the masses*"[197].

This African example shows that perceived legitimacy issues may hinder the effectiveness of the IVS, but also that legitimacy can be built gradually through engagement, adaptation, education and institutional support.

Conclusion of Chapter 3

This chapter has shown that the effectiveness of the IVS cannot be assessed through isolated examples of reception alone. Their effectiveness must be understood more broadly, by examining whether they circulate as a transnational normative framework for valuation practice. In this respect, the IVS display real but fragmented effectiveness, which reflects both the unequal institutional development of the valuation profession and, in some contexts,

[194] M. ARCE, B. GINER and M.A. TALEB, "*Due process as a legitimating mechanism: Participation and responsiveness in the development of IFRS 17: Insurance contracts, Journal of Accounting and Public Policy*", page 14.
[195] See Appendix 10.
[196] Ibid.
[197] See Appendix 6.

concerns relating to representation, participation and perceived legitimacy. The IVS therefore cannot be described as ineffective; rather, their effectiveness is mediated and uneven.

Conclusion of Part I

The IVS have now been constructed as a normative object.

They are private in origin, transnational in ambition, technical in form, and fragmented but real in their practical effectiveness. They circulate through State references, professional incorporation and market internalization. They do not impose themselves everywhere with the same intensity, but they are not socially insignificant. They influence valuation practice, shape professional expectations and sometimes enter the reasoning of public institutions.

The question is therefore no longer whether the IVS matter. They do. The question is how they matter legally. This is the object of Part II.

Part II - Legal Qualification of the IVS

Now that the IVS have been constructed as a normative object, their legal qualification can no longer be avoided. As noted above, the criteria for a norm to be considered legal vary from one legal theory to another. Their legal qualification must therefore be tested through different conceptions of law.

The conceptual lens through which this question will be addressed is borrowed from Ost and van de Kerchove's analysis of self-regulation. As they observe, the legal qualification of self-regulatory phenomena remains delicate because their juridicity is often a juridicity of borrowing. The doctrinal debate may then be formulated in two ways: either such norms possess only a derived juridicity, because they owe their legal character to another legal norm that incorporates them; or they exercise a genuine normative function of their own, capable of grounding a more autonomous form of juridicity[198].

This distinction provides the starting point of the present part. Derived juridicity refers to situations in which the IVS acquire legal character because they are received by another norm that is itself legal. In such cases, the IVS are not legal norms in themselves. They borrow their juridicity from the framework that receives them. Their legal quality therefore exists only within the limits of that reception.

Autonomous juridicity, by contrast, refers to the possibility that the IVS may be considered legal norms in their own right, independently of their reception by a State, a professional body, a firm or another legal order. In that case, their legal character would not stem from an external act of incorporation, but from their own transnational normative authority within the valuation field.

The tension between these two possibilities structures the whole of Part II. Chapter 1 examines the IVS through traditional monist and pluralist legal theories. These theories make it possible to recognize, with varying intensity, the derived juridicity of the IVS where they are strongly received by States, professional bodies, public institutions or firms. However, they remain more hesitant, or insufficient, when confronted with the stronger claim that the IVS may constitute legal norms in their own right. Chapter 2 therefore turns to contemporary theories of transnational law, which are better equipped to assess whether the IVS are moving beyond borrowed juridicity towards an autonomous juridicity constructed through professional reception, practical endorsement and *rough consensus* within the valuation field.

[198] F. OST and M. VAN DE KERCHOVE, op. cit., page 121.

Chapter 1 – The IVS Through Traditional Monist and Pluralist Legal Theories

This chapter examines the juridicity of the IVS through the lens of three traditional legal theories. First, it considers a monist and State-centred theory, namely Kelsen's Pure Theory of Law (Section 1). It then turns to two pluralist legal theories: a sanction-centered theory, namely Lucien François' microscopic theory of law (Section 2), and an institutionalist theory, namely Santi Romano's theory of legal orders (Section 3).

Section 1 – State-Centered Legal Theory: The Pure Theory of Kelsen

After presenting Kelsen's pure theory of law (A), we will apply it to the IVS (B) and assess its ability to capture the juridicity of the IVS (C).

A) Presentation of Kelsen's Pure Theory of Law

Hans Kelsen[199], developed a State-centered and normativist conception of law in the *Pure Theory of Law*.

Four elements are relevant here: law as a pure normative order (1), legal validity as delegated validity (2), the State-centered, coercive and effective character of the legal order (3), and the the *Grundnorm* as the ultimate foundation of validity (4).

1. Law as a Pure Normative Order

Kelsen's theory presents itself as "pure" in a double sense[200]. First, it seeks to provide a scientific theory of law, independent of any particular legal system. Second, it isolates law from other social phenomena by treating it as a specific normative order[201].

This ambition leads Kelsen to establish a fundamental distinction between *Sein* and *Sollen*[202]. The former refers to the domain of what is, namely facts, whereas the latter designates the domain of what ought to be, to which law belongs. Law must therefore be analyzed as a system of norms, not as a mere description of social behavior.

Kelsen further insists on the strict separation between law and morality[203]. The world of *Sollen* is, in his view, divided into a moral *Sollen* and a legal *Sollen*, irreducible to one

[199] Born in Prague in 1881 and dying in California in 1973, Kelsen was one of the greatest legal theorists of the twentieth century. A professor in Vienna and one of the main architects of the creation of the Austrian Constitutional Court in 1920, he later pursued a career marked by exile (first in Germany, then in Switzerland) before settling in the United States, where he taught at the University of Berkeley. His major work, *Pure Theory of Law*, first published in 1934 and substantially revised in 1960, constitutes the most accomplished formulation of his thought. His theory remains one of the major reference points of twentieth-century legal thought.

[200] H. KELSEN, "Théorie pure du droit", 2nd edition, Paris, Dalloz, 1962, preface of the first edition. « *Plus de deux décades se sont écoulées depuis que j'ai commencé d'entreprendre de développer une Théorie pure du droit ; théorie pure du droit, c'est-à-dire une théorie du droit épurée de toute idéologie politique et de tous éléments ressortissant aux sciences de la nature* ».

[201] Ibid., page 60.

[202] Ibid., pp. 6-13.

[203] Ibid., pp. 79-92.

another. A norm is therefore not legal because it is morally just, nor moral because it is legally valid[204].

This first aspect of Kelsen's theory is important for the present analysis because it means that the juridicity of a norm cannot be deduced from its practical usefulness, technical quality, professional legitimacy or moral desirability. Even if the IVS are useful, legitimate, technically sophisticated or widely followed, these elements do not, in themselves, make them legal norms in Kelsenian terms.

2. Legal Validity as Delegated Validity

Once law has been distinguished from facts and morality, the decisive question becomes how a norm can belong to the legal order. Kelsen's answer lies in the concept of validity. In law, the validity of a norm does not depend on its substantive content, but on whether it has been created by an authority empowered to do so by a higher norm [205].

Kelsen represents the legal order as a dynamic system of norms arranged in hierarchical levels through successive acts of delegation. Each lower norm derives its validity from a higher norm, which authorizes its creation. This is the basis of the well-known pyramidal representation of the legal order.

Individual norms, such as contracts or judgments, are therefore legal norms when their validity can be traced back to such a chain of delegation[206]. Thus, in a legal order recognizing freedom of contract, contracts concluded by private parties may also belong to the legal order, since they derive their validity from an authorization stemming from that legal order.

This point is central to the application of Kelsen's theory to the IVS. Under Kelsen's theory, private actors may produce legally relevant norms, but only where their normative power has been conferred by a higher norm. Private norm-production is therefore not excluded, but it remains legally dependent on a chain of delegation. The question is therefore not whether the IVS are produced by a private body as such, but whether their normative force can be traced back to an authorization contained in a State legal order.

3. The State Legal Order, Coercion and Effectiveness

Kelsen's theory remains deeply State-centered. It is also monist, in the sense that there is, in principle, one legal order per territory, which leads Kelsen to identify legal orders with States[207]. The State must not, however, be understood here in the classical sense of a territory, a

[204] Ibid., page 92: « *Postuler qu'il faut distinguer le droit de la morale et la science du droit de l'éthique, signifie que, du point de vue d'une connaissance scientifique du droit positif, sa justification par un ordre moral distinct de lui est irrelevante* ».

[205] Ibid., page 257 : « *Le fait brut que quelqu'un commande quelque chose n'est jamais une raison suffisante de considérer le commandement en question comme une norme valable, c'est-à-dire obligatoire pour son adressataire. Seule une autorité compétente peut poser des normes valables ; et la compétence en question ne peut reposer que sur une norme habilitant à la création de normes* ».

[206] H. KELSEN, op. cit., pp. 299-367.

[207] N. THIRION, op. cit., page 208.

population, and a sovereign power; it designates the entirety of the legal norms in force within a system governed by a single *Grundnorm*[208].

According to Kelsen, a legal order is a coercive order, in the sense that the norms of that order regulate human conduct by attaching acts of constraint[209] to certain circumstances considered undesirable because they are socially harmful[210]. The essential point is that legal coercion is not mere factual force: it is a sanction authorized by a valid normative chain. Thus, what distinguishes a legal sanction from a mere act of force is not its material nature, but its insertion into such a valid normative chain[211].

Furthermore, Kelsen argues that the existence of a legal order also presupposes a certain degree of effectiveness. Effectiveness here refers to a certain degree of obedience and application[212]. Since the effectiveness of an isolated norm is often difficult to verify, Kelsen links it to that of the legal order as a whole: it suffices that this order be obeyed "*by and large and in general*"[213].

Effectiveness thus pertains to *Sein*, whereas validity pertains to *Sollen*. Effectiveness is therefore not an autonomous source of juridicity. It is only a condition for the existence of a legal order whose validity is already structured normatively. Kelsen's theory therefore combines normative validity with a minimum degree of social effectiveness. This distinction is important for the IVS. The fact that the IVS are applied in practice may show that they are effective as professional or market standards. However, for Kelsen, such practical effectiveness cannot by itself transform them into legal norms. Their juridicity still depends on their connection to a valid legal order.

4. The Grundnorm as the Ultimate Foundation of Validity

The difficulty, however, arises at the top of the structure. If every legal norm derives its validity from a higher norm, it becomes necessary to presuppose a norm that has been posited by no one. Kelsen calls this hypothetical norm the *Grundnorm*, or basic norm[214]. This presupposition is necessary because, without it, the original Constitution would remain a mere fact and could not legally ground the norms derived from it.

---

[208] Ibid., page 192.

[209] H. KELSEN, op. cit., page 46. The author says that the distinctive characteristic common to the social orders that are called legal is that they are orders of constraint, the latter expression meaning that they react by an act of constraint to certain circumstances considered undesirable because they are socially harmful, in particular to acts of human behavior of this nature. By act of coercion is meant an evil (such as the withdrawal of life, health, liberty, economic and other goods) which must be inflicted on the one it affects, even against their will, and, if necessary, by employing physical force.

[210] Ibid., page 43.

[211] N. THIRION, op. cit., pp. 187-188.

[212] H. KELSEN, op.cit., page 286. Application includes the reaction of the competent authority in the event of disobedience, namely the implementation, or at least the concrete possibility, of a sanction.

[213] Ibid., pp. 286-287 : « *La validité normative d'une norme juridique ne se confond pas avec son efficacité réelle ; l'efficacité de l'ordre juridique en tant que tout est condition de sa validité ; pareillement, l'efficacité d'une norme juridique en particulier est condition de sa validité … cette proposition signifiant qu'un ordre juridique pris globalement, et une norme juridique prise en particulier ne sont plus considérés comme valables lorsqu'ils cessent d'être efficaces* ». « *Un ordre juridique est efficace si ses normes sont efficaces, c'est-à-dire effectivement obéies et appliquées, en gros et de façon générale* ».

[214] H. KELSEN, op. cit., pp. 255-297.

The *Grundnorm* thus presents several characteristic features: it prescribes conformity with the Constitution and the norms derived from it; it juridifies the entire normative order; it is presupposed rather than posited; and it constitutes a logico-transcendental hypothesis, necessary if one accepts that law belongs to a *Sollen* distinct from *Sein*[215].

For present purposes, the consequence is decisive. In Kelsenian terms, a norm can be recognized as legal only if its validity can be connected to a chain of delegation ultimately attached to a State legal order and its basic norm. This point will be central when applying Kelsen's theory to the IVS: unless the IVS can be connected to a valid chain of delegation within a State legal order, they cannot, in Kelsenian terms, be recognised as legal norms.

B) Application to the IVS

After assessing the autonomous juridicity of the IVS under Kelsen's theory (1), we will analyse their derived juridicity (2).

1. Autonomous Juridicity of the IVS[216]

For the IVS to possess autonomous juridicity, they would have to be created by an authority empowered by a higher norm, within a chain of validity ultimately traceable to a Grundnorm. Two possible routes may be envisaged. The IVS could either be attached to a hypothetical Grundnorm governing an autonomous IVSC normative system (a), or to the Grundnorm of the legal order under which the IVSC is incorporated, namely the United States legal order (b).

a. The Hypothesis of an IVSC Grundnorm

In our view, the IVSC has not been empowered by any transnational Grundnorm to issue legal norms applicable to valuers worldwide. Its standards therefore do not form a unified legal order governed by a single basic norm.

The difficulty lies in Kelsen's monist and State-centered framework. In this framework, each territory is governed by only one legal order. However, the territories in which the IVS circulate are not legally empty spaces that could be occupied by an autonomous IVSC legal order. They are already governed by domestic legal orders, each ultimately attached to its own Grundnorm. In other words, the IVS may operate across borders, but they do so within territories already juridically structured by States.

Kelsen's conception of legal orders as coercive orders creates an additional obstacle. A normative system whose central authority lacks enforcement powers cannot easily satisfy one of the essential characteristics of a legal order in Kelsenian terms. The IVSC may formulate standards and exercise considerable technical influence, but it cannot impose sanctions. This makes it difficult to characterize its normative system as a legal order in the Kelsenian sense.

---

[215] N. THIRION, op. cit., page 190.

[216] See supra, Part I, Chapter 1, Section 2, on the IVSC's legal nature, corporate purpose and absence of enforcement powers.

Nor can the practical effectiveness of the IVS, by itself, establish their autonomous juridicity. For Kelsen, effectiveness is not an autonomous source of juridicity, but a condition attached to the validity of a legal order already constituted as such. The fact that the IVS are used, followed, internalised or relied upon by valuation actors therefore remains insufficient. Effectiveness cannot replace the missing chain of legal delegation.

b. The Hypothesis of the Grundnorm of the United States Legal Order

Since the IVSC is incorporated under Illinois corporate law, one may ask whether its legal personality empowers it to adopt legal norms, namely the IVS. If so, the IVS could possess autonomous juridicity because they could be attached to the Grundnorm of the domestic legal order that recognizes the IVSC's legal existence.

The IVSC's legal personality gives it the capacity to exist as a corporation, hold property, conclude contracts, have members, adopt internal rules, and, more broadly, to pursue its corporate purposes, including the development of valuation standards. However, this does not mean that the IVS acquire legal validity as norms addressed to valuers, States, firms or markets worldwide.

The decisive point is that, in our view, corporate legal capacity is not equivalent to a delegation of law-making power. Incorporation authorises the IVSC to act as a private legal person. It allows it to produce standards, but not to create *legal* obligations for third parties. The IVSC may therefore validly adopt the IVS as private standards, but their validity as corporate acts should not be confused with their validity as legal norms binding external actors.

2. Derived Juridicity of the IVS[217]

Under Kelsen's theory, the juridicity of the IVS is therefore better understood as derived. In other words, the IVS become legal norms only where a legal norm incorporates them, refers to them, or gives legal effects to their application. Their juridicity is borrowed: they acquire legal status only through their connection to a State legal order.

a. State Reception[218]

Derived juridicity becomes clearest where the IVS are incorporated into domestic legal frameworks.

This may be illustrated by the future Ugandan Valuation Standards. To the extent that the IVS 2024 are incorporated into those standards, and that those standards are adopted on the basis of legislative empowerment, the relevant parts of the IVS acquire legal force. However, they do so not as IVS in themselves, but as incorporated elements of Ugandan valuation standards

[217] In order to make this analysis concrete, the following developments rely on the examples and illustrations of reception examined in Part I, Chapter 2.

[218] See supra, Part I, Chapter 2, Section 1, on State reception of the IVS, including the Ugandan Valuation Standards and the use of the IVS by the South African Office of the Valuer-General. See also supra, Part I, Chapter 2, Section 4, on the Nigerian Green Book as an example of interaction between State and professional reception.

backed by a State framework. Their validity is then attached to the Ugandan legal order and, ultimately, to its Grundnorm.

The Nigerian example points in the same direction. The Nigerian Valuation Standards were elaborated by ESVARBON, the regulatory body legally empowered to regulate the profession and, therefore, to adopt valuation standards. The derivative nature of the juridicity is even clearer here. The Green Book entered into force in January 2019 while integrating the IVS 2017. It is therefore this version of the IVS, and only to the extent that its provisions were incorporated into the Green Book, that receives the juridicity of the Nigerian legal framework. The IVS do not derive their legal force from the IVSC, but from their domestication within a Nigerian regulatory instrument attached to the Nigerian Grundnorm.

A more nuanced situation arises where the IVS are used by a public entity in its internal practice. The fact that the Office of the Valuer-General in South Africa, accountable to the Minister of Land Reform and Rural Development and empowered to conduct valuations in the context of land reform, extensively uses the IVS in its daily practice does not make the IVS autonomous legal norms.

However, the OVG also interacts closely with external valuers and seeks to ensure IVS compliance in the valuations it receives. The question is therefore whether the empowerment conferred on the OVG by the South African State could include the power to require, in individual cases, external valuers to perform valuations in compliance with the IVS. It is difficult to adopt a definitive position on this point. Nevertheless, if derived juridicity exists here, it is not the juridicity of the IVS as autonomous standards. It is the juridicity they acquire when incorporated into the specific framework governing a particular valuation assignment.

b. Professional Reception[219]

Professional reception by VPOs is more difficult to qualify under Kelsen's theory.

In the case of RICS, the fact that RICS is a private organisation requires further analysis. For the Red Book to be considered legally relevant in the Kelsenian sense, and for the IVS incorporated into it to derive juridicity from it, RICS must itself be connected to valid chain of legal empowerment.

The Red Book may make the IVS practically binding for RICS members, but not necessarily legal norms in the Kelsenian sense. Unless RICS has been recognised or empowered by a legal order to adopt binding professional standards, its standards remain primarily professional rather than legal norms. In the absence of such recognition, this form of private regulation could only be understood, under Kelsen, through the contractual autonomy of RICS and its right, as a legal person, to adopt internal rules for its members.

RICS nevertheless constitutes a special case. Unlike many VPOs, it has been incorporated by Royal Charter and is authorized to regulate its members. It has therefore been empowered by the UK Government to elaborate the Red Book, which may therefore be understood as

[219] See supra, Part I, Chapter 2, Section 2, on professional reception through Valuation Professional Organisations, especially the incorporation of the IVS into the RICS Red Book.

belonging to the British legal order. The IVS thus acquire a derived juridicity when incorporated into the Red Book, but this juridicity remains limited. It exists only because, and only to the extent that, the legal order recognizes RICS's power to regulate its members.

c. Market reception[220]

Market reception is the most difficult case under Kelsen's theory.

The internal absorption of the IVS by international firms may be translated into internal rules, policies, training materials or methodological frameworks. Since such firms are legal persons, they have the capacity to organize their internal activity and impose internal rules on their employees or members. From a Kelsenian perspective, those rules may acquire legal relevance through the legal order that granted legal personality to the firm.

Here again, the juridicity of the IVS is only derived and indirect. Their legal relevance does not derive from the IVSC itself. It derives from their incorporation into an internal framework. In this case, the IVS are not legal norms as such; they become legally relevant because they are absorbed into another framework recognised by the State legal order.

By contrast, indirect client pressure cannot constitute a legal norm, as clients have not been empowered by a legal order to require firms to apply market best practices. Such pressure may explain why firms internalize the IVS, but it does not confer juridicity on them. Market expectations may therefore contribute to their effectiveness, but they do not, under Kelsen's theory, constitute a source of their legal validity.

C) Critique: The Limits of Kelsen's State-Centered Framework

The preceding analysis shows that, under Kelsen's theory, the IVS become legal only when inserted into a norm, decision or institutional framework that is itself legally recognised by a State legal order. Kelsen's theory therefore recognizes only a derived and fragmented juridicity of the IVS. His theory applies convincingly to cases of State reception, such as Uganda, Nigeria, administrative supervision, judicial reference or legally recognised professional regulation. However, it fails to capture the broader phenomenon through which the IVS structure valuation practice beyond the State, through professional, institutional and market mechanisms.

Seen only through the prism of State validity, the IVS appear legally relevant only in fragments: one version incorporated in Nigeria, one reference made by a regulator, one use by a public authority, one incorporation into a professional framework. This captures part of their juridicity, but not the whole phenomenon.

Many authors underline the inadequacy of Kelsen's Pure Theory of Law for apprehending the juridicity of contemporary forms of private regulation[221]. His theory is based on an

[220] See supra, Part I, Chapter 2, Section 3, on market reception of the IVS, especially their internal absorption by international valuation firms and the limits of direct client pressure as an explanation.

[221] See TUORI, "Whose voluntas, what ratio? Law in the state tradition", International Journal of Constitutional Law, 2019, pp. 1164-1175. The author says that "*in its reductionism, the legal positivism of Kelsen is clearly inadequate for mapping contemporary post-national law*".

understanding of law inherited from liberal Western State legal systems[222]. It takes the municipal law of the nation-State as its central model and assesses other forms of normativity according to their proximity to State law. This creates tensions when legally qualifying norms emerging in a globalized environment, where normative production can no longer be reduced to the State[223].

The difficulty is therefore conceptual rather than merely historical[224]: the pyramidal model becomes insufficient when one seeks to apprehend transnational private normativity. The pyramid is not wrong, but incomplete[225].

Applied to the IVS, this means that Kelsen's theory produces a narrow image of their juridicity. It shows when the IVS become legal norms in the strict sense, but it cannot fully account for their transnational normative authority. As Part I has shown, the IVS are not merely technical recommendations waiting to be incorporated by States. They circulate through VPOs, public entities, regulators, valuation firms, training practices, internal methodologies, professional expectations and market credibility mechanisms. Their effectiveness does not depend exclusively on formal State reception.

This insufficiency has led part of the doctrine to call for a shift in perspective. The point is no longer to treat modern State law as the paradigmatic case through which every other form of normativity must be assessed, but rather to take seriously the broader field of normativity[226]. Otherwise, private regulation risks being minimized: it is reduced to soft law[227], or to a mere expression of contractual freedom[228]. Such a reduction prevents a proper understanding of the autonomous normative scope of transnational private regulation.

The application of Kelsen's theory to the IVS therefore leads to a double conclusion. From a strictly Kelsenian perspective, the IVS do not possess autonomous juridicity. They become legal only through State reception or through another legally recognised framework. Yet this conclusion remains insufficient from a broader theoretical perspective, because it leaves outside the analysis the professional, institutional and market mechanisms through which the IVS structure conduct in practice. It is therefore necessary to move beyond a purely State-

---

[222] B. FRYDMAN et J. CHEROT (dir.), op. cit., pp. 4-5.

[223] Ibid., page 9.

[224] F. OST and M. VAN DE KERCHOVE, op. cit., page 11.

[225] Ibid., page 47 : « *La réalité est plus complexe, plus enchevêtrée que le schéma kelsénien ne le laisse paraitre* ». See also J. CHEVALLIER, op. cit., pp. 10-12. Chevallier states that the model of modern law, where the State intends to be the exclusive source of law, already failed to fully reflect reality, since the State legal order has never managed to encompass and condense all legal phenomena.

[226] W. TWINING, "The significance of non-state law" in "General Jurisprudence: Understanding Law from a Global Perspective", London, Cambridge University Press, 2009. The author says that the significance of non-State law for a broad conception of law is that focusing solely on the municipal law of Nation States leaves out too much that should be the proper concern of legal scholarship. He says that the key step is to cease to treat modern municipal law as a paradigm case by reference to which one can decide on the closeness of the analogy of other candidates for inclusion.

[227] See J. CHEVALLIER, op. cit., page 1. The author highlights that private regulation is often qualified as soft law.

[228] See F. OST and M. VAN DE KERCHOVE, op. cit., page 16: « *Plutôt que de prendre l'exacte mesure du phénomène d'auto-régulation, on feint de croire que cette normativité privée n'est qu'une illustration du principe classique d'autonomie de la volonté* ».

centered framework and to examine whether more pluralist legal theories are better able to capture the juridicity of the IVS as transnational private standards.

Section 2 – Sanction-Centered Legal Theory: The Microscopic Theory of Law by Lucien François

After presenting the microscopic theory of law (A), we will apply it to the IVS (B), and assess its ability to capture the juridicity of the IVS (C).

A) Presentation of François' Microscopic Theory of Law

Lucien François[229] developed in "*Le Cap des Tempêtes. Essai de microscopie du droit*" a theory of law centered on the elementary relation between injunction, resistance and sanction.

François's ambition is to conduct a "*microscopy of law*": rather than starting from complex institutions such as the State, legislation or courts, he seeks to identify the most elementary form of the legal phenomenon and to reconstruct legal complexity from that starting point[230].

To implement this method, François resorts to a series of anecdotes. He opens his analysis with a scene that has become classical in legal theory: that of the "*brief encounter*" during which an individual, brandishing what appears to be a weapon, orders a passerby: "*Throw your wallet on the ground and get out of here*". In this seemingly trivial situation, François identifies what he calls the *jurème*[231], namely the elementary particle of the legal phenomenon.

The *jurème* is defined as "*the appearance, produced by a human, of a wish to obtain a certain human conduct, accompanied by a mechanism through which resistance triggers counter-pressure by means of a threatened sanction*"[232]. This definition can be broken down into five characteristic elements[233].

First, the author of the injunction does not necessarily need to be able to inflict the sanction directly; it is sufficient that the addressee believes that the sanction may occur. What matters is therefore not the risk itself, but the representation of that risk[234].

---

[229] Lucien François, born on 26 March 1934, is a Belgian jurist from the University of Liège, where he taught courses such as philosophy of law and labour law. He has written books on theory of law, the most important of which is *Le Cap des Tempêtes, Essai de microscopie du droit,* first published in 2001.

[230] This approach falls within a classical methodological tradition, commonly associated with the hard sciences, yet largely unexplored in legal theory. The approach consists of proceeding from the simple to the complex, which René Descartes, *in Discours de la méthode, 2011, Paris, Les Echos du Maquis, page 14*, had already formulated in the following terms: "*to conduct my thoughts in an orderly manner, beginning with the simplest and easiest objects to know, in order to ascend little by little, as if by steps, to the knowledge of the most complex*. As Thirion highlights, such an approach may also be brought closer to the microphysics of power developed by Michel Foucault (see N. THIRION, op. cit., page 135).

[231] This term, constructed from the Greek suffix "-ème" (referring to minimal units in linguistics, such as the phoneme or the grapheme) and the Latin *ius, iuris* (law), aims precisely to isolate the simplest unit of the legal phenomenon, thereby avoiding the conceptual ambiguities attached to more traditional notions such as "law" or "legal norm".

[232] L. FRANCOIS, "Le cap des tempêtes – Essai de microscopie du droit", 2nd edition, Brussels, Bruylant, 2012, page 82.

[233] Ibid., pp. 49-66.

[234] Ibid., page 49. As François underlines, "it is not the risk that frightens, but the representation of the risk".

Second, the addressee must be aware of the threat, sensitive to it, and connected in some way to the author of the pressure. Without such awareness, sensitivity and exposure, the threat cannot produce pressure[235].

Third, the threat must be oriented towards obtaining a determined conduct: the sanction is not gratuitous, but conditional upon resistance[236].

Fourth, the wish must be imperative: it is presented as categorical and does not depend on the addressee's consent.

Fifth, both the wish and the threat must be known to the addressee[237].

At this stage, the legal phenomenon thus appears in its most minimal configuration: a bilateral and instantaneous social relation structured by an imperative wish, possible resistance, and a threatened sanction.

The decisive question for the IVS will therefore not be whether they originate from a public authority, but whether non-compliance with them can trigger a form of counter-pressure, whether legal, professional, economic or reputational.

B) Application to the IVS

Applied to the IVS, Lucien François' theory leads to a more nuanced conclusion than Kelsen's Pure Theory of Law. After assessing the autonomous juridicity of the IVS under François' theory (1), we will analyze their derived juridicity (2).

1. Autonomous juridicity of the IVS[238]

From this perspective, the IVS do not possess autonomous juridicity when considered in isolation, at the level of the IVSC itself. As standards issued by the IVSC, they are not accompanied by any direct sanction imposed by the standard-setter. The IVSC may formulate expectations, define best practices and create a framework of valuation conduct, but it does not possess a mechanism through which resistance to the IVS would directly trigger counter-pressure.

2. Derived juridicity of the IVS[239]

The juridicity of the IVS may, however, arise in a derived manner when they are incorporated into contexts where non-compliance may trigger adverse consequences. In such cases, the legal

---

[235] Ibid., page 53.

[236] See N. THIRION, op. cit., page 138. The author summarizes by stating that, "*either the addressee of the injunction complies and escapes any sanction, or he resists and thereby exposes himself to the sanction with which he had previously been threatened".*

[237] L. FRANCOIS, op. cit., page 62. The author says that "there can be no pressure by threat […] if the threat and the wish are not or are no longer known".

[238] See supra, Part I, Chapter 1, Section 2, on the IVSC's legal nature, corporate purpose and absence of enforcement powers.

[239] See supra, Part I, Chapter 2, where the modes of reception of the IVS were analysed through State reception, professional reception, market reception and their interaction.

character does not stem from the IVSC as such, but from the sanctioning structure of the receiving order.

a. State reception[240]

The Ugandan valuation framework, which not only elaborates valuation standards, but also constructs an institutional architecture around them, provides a clear example of François' conception of law. The Valuation Bill provides for monitoring, while also establishing that the contravention of the standards may constitute professional misconduct and give rise to disciplinary measures.

From François' perspective, the decisive element is therefore not only that sanctions formally exist, but that the addressees of the standards may reasonably perceive non-compliance as exposing them to adverse consequences. The pressure becomes juridical where monitoring and disciplinary mechanisms are sufficiently visible to generate, among valuers, an anticipation or fear of sanction. In such a context, the Ugandan valuation standards will likely acquire juridicity in François' sense, and such juridicity will extend to the IVS to the extent that they are incorporated into those standards.

The Nigerian example is more problematic. Even if ESVARBON is legally empowered to monitor compliance with the Green Book, the efficacy of that monitoring is "*not perfect*", which suggests that non-compliance with the Green Book may not always be effectively sanctioned. From François' perspective, this matters because a formal power to sanction is not sufficient if, in practice, the addressee does not experience the threat as a real counter-pressure. The relevant question is therefore whether valuers subject to the Green Book are aware that non-compliance may be detected and whether they reasonably fear adverse consequences. A broader empirical view would be required before taking a firm position. If the Green Book is effectively enforced and its non-compliance sanctioned, then only the IVS 2017, as incorporated in the Green Book, could be considered legal norms.

As regards the OVG, its iterative exchanges with external valuers to ensure IVS alignment do not necessarily amount, in our view, to a sanction in the strict sense, as the mechanism appears more corrective and quality-oriented than punitive. However, the situation could easily evolve toward a François-type pressure if external valuers were required, in the future, to comply with the IVS as a condition for working with the OVG, or if non-compliance led to rejection of their valuation work or exclusion from future mandates. Such a situation is conceivable in the future, given the OVG's aim of full IVS alignment. In that case, the external valuer would be exposed to the loss of access to public valuation assignments. The sanction would then no longer be disciplinary, but economic: exclusion from a relevant field of valuation work. In such circumstances, the IVS could derive juridicity from the norms addressed by the OVG to external valuers, to the extent that IVS compliance becomes a condition for access to, or continuation of, public valuation assignments.

---

[240] See supra, Part I, Chapter 2, Section 1, on State reception of the IVS, including the Ugandan Valuation Standards and the use of the IVS by the South African Office of the Valuer-General. See also supra, Part I, Chapter 2, Section 4, on the Nigerian Green Book.

b. Professional reception[241]

As regards professional reception, the RICS example constitutes a particularly strong form of derived juridicity. The Red Book is mandatory for RICS members and is supported by monitoring and regulatory mechanisms, including audits and the Valuer Registration Scheme. In such a case, the Red Book, insofar as it applies to RICS members, may be considered legal under the microscopic theory of law. The IVS, as incorporated into it, therefore borrow that juridicity. The imperative character of the norm does not come from the IVSC, but from the professional order within which RICS members operate.

It appears, however, that this is not the case for other VPOs encountered in our empirical study. If monitoring and disciplinary mechanisms are not activated because the professional body cannot reach individual valuers, then the pressure necessary for a François-type legal phenomenon is weakened. In such cases, the juridicity of the VPO's standards, and therefore the derived juridicity of the IVS, remains fragile because resistance does not clearly trigger counter-pressure.

c. Market reception[242]

Market reception occupies the most interesting position under François' theory. Authors explain that, in economic law, sanction is generally presented in two forms: the properly legal sanction, namely that of the State, and the factual sanction of the market. They argue that the microscopic approach is capable of apprehending market sanction as legal, thereby transforming its legal status[243].

As regards the absorption of the IVS by international valuation firms, this creates a real normative pressure. A valuer working within such a firm is, in practice, strongly oriented towards IVS-consistent practice by the firm's internal procedures and expectations. However, our empirical study did not reveal an explicit and direct sanctioning pressure towards IVS consistency. In our view, the IVS have become an obvious professional baseline, or even a practical condition for working within such large international valuation firms, to the point that there may be no need to activate a visible sanctioning apparatus. The threat remains largely dormant because conformity is deeply internalised.

François would describe this phenomenon through the concept of "*homodoxy*[244]", namely a normative conviction shared by a group of individuals according to which it is good to do something or wrong to adopt a certain behavior. This normative conviction consists in considering that consistency with global best practices, among which the IVS occupy an important place, must be ensured. Given the importance attached to such consistency, a

[241] See supra, Part I, Chapter 2, Section 2, on professional reception through Valuation Professional Organisations, especially the incorporation of the IVS into the RICS Red Book.

[242] See supra, Part I, Chapter 2, Section 3, on market reception of the IVS, especially their internal absorption by international valuation firms and the limits of direct client pressure.

[243] G. GREGOIRE, et al., « La sanction du marché : une tentative d'analyse microscopique du droit économique » [Paper presentation], *Le renouveau de la sanction en droit économique*, Alicante, Spain, 2025, page 1.

[244] L. FRANCOIS, op. cit., page 201. In the present case, such homodoxy is constructed as it is specific to international valuation firms and their members.

heterodox actor (that is, someone who does not share this dominant professional belief) could be sanctioned for departing from it. The sanction may take the form of internal correction, loss of credibility, reduced trust, exclusion from certain files, or even career consequences.

This first form of pressure is internal to the firm. Clients may exert indirect pressure on international firms. Firms that fail to align with recognised best practices may lose credibility, reputation or mandates. The sanction operates ex ante: a firm perceived as insufficiently aligned with international best practices may simply not be selected.

However, even if such indirect market pressure were understood as a form of sanction in François' sense, it would not follow that the IVS themselves acquire juridicity through it. The decisive point is that this market discipline does not usually attach to identifiable non-compliance with the IVS as such. Clients do not generally sanction firms because they have violated a specific IVS requirement. Rather, they may avoid or distrust firms that appear insufficiently professional, unreliable, opaque or disconnected from internationally recognised best practices.

The process remains more indirect and softer than a punitive mechanism. It is not comparable to situations where a company may be clearly sanctioned for breaching a specific human rights standard.

It could only come closer to juridicity where the expectation of IVS compliance is explicit and attached to concrete consequences, for example where a client, investor or contractual framework expressly requires IVS compliance and makes non-compliance a ground for exclusion, liability or loss of mandate. Such a situation was not identified in our empirical study. In the absence of such elements, market pressure produces an important but indirect and soft form of discipline. It contributes to the effectiveness of the IVS by encouraging firms to align internally with them, but it is insufficient to transform the IVS themselves into legal norms under François' theory.

C) Critique of Sanction-Centered Legal Theory

François' theory makes it possible to go beyond Kelsen's State-centered framework. By detaching juridicity from the State, it allows the analysis to capture forms of legal pressure arising through professional, economic or reputational sanctions. However, it remains insufficient to capture the full specificity of the IVS as a form of transnational private regulation. As shown in Part I, the authority of the IVS does not primarily rest on coercion, prohibition or punishment, but on softer mechanisms, such as collaboration, market recognition and professional internalization.

In this respect, sanction-centered theories reproduce, in another form, part of the limitation already encountered with Kelsen. While Kelsen makes juridicity depend on the State, François makes it depend on sanction, which remains, as seen above, one of the central features of public regulation. The result is similar: the IVS may be recognised as legal in specific contexts, but a large part of their normative force remains outside the analysis. Their influence often lies not in the fear of sanction, but in their capacity to structure professional practices. This is precisely why it is necessary to turn to an institutionalist theory of law.

Section 3 - Institutionalist Legal Theory: Santi Romano's Theory of Legal Orders

Santi Romano's theory allows the analysis to move beyond both State validity and sanction. After presenting Romano's institutionalist theory of law (A), we will apply it to the IVS (B).

A) Presentation of Romano's Institutionalist Theory of Law

In *L'ordinamento giuridico* (1917, reissued in 1947), Santi Romano[245] develops an institutionalist conception of law based on the equivalence between law, legal order and institution[246].

His starting point is a that a legal order is not the arithmetic sum of its rules, but a concrete social unity within which norms arise[247].

By "institution", he understands an objectively observable social body, characterized by a certain unity. It is a human collectivity structured around relatively coherent objectives or practices[248].

Romano stresses that this unity cannot be called into question by variations affecting the composition of the group: the departure or arrival of members does not alter the continuity of the institution[249]. Furthermore, Romano closely associates law with the idea of social order. Law presupposes an orientation of behaviour within a group, which implies the exclusion of mere disordered violence. Law is therefore not reducible to brute force; it implies an organized orientation of conduct within a social body[250].

The institution is therefore not a mere relationship between individuals, but the organized structure that makes legal relations possible. Reprising the maxim *ubi jus ibi societas (and ubi societas ibi jus)*, inherited from Cicero, he asserts that law must first and foremost be related to society: there is no law without society, but conversely, every society, as such, constitutes a legal order[251].

A plurality of institutions may thus be recognized as legal orders. As Thirion underlines, this approach makes it possible to perceive "*a luxuriant flora*" of legal orders: companies, religious communities, social groups, or even criminal organizations may be apprehended as such[252].

---

[245] Santi Romano (1875-1947) was an Italian public lawyer. In 1917, after a gestation period lasting almost a decade, he developed his theory of the institutions in an essay entitled *L'ordinamento giuridico*. He taught administrative law, constitutional law, ecclesiastical law and international law at several Italian universities, served as President of the Council of State from 1928 to 1944, became a senator of the Kingdom in 1934.

[246] S. ROMANO, "L'ordre juridique", 2ème édition, Paris, Dalloz, 1975, page 19.

[247] Ibid., pp. 1-2.

[248] Ibid., pp. 17-18; N. THIRION, op. cit., page 165. As Thirion suggests, the existence of such a human collectivity may be apprehended through disciplines such as sociology, ethnology, or anthropology.

[249] Ibid., page 28.

[250] Ibid., page 18.

[251] Ibid., p. 25.

[252] N. THIRION, op. cit., page 167. Within this framework, Romano also identifies the existence of "minor legal orders," such as schools, hospitals, companies, or disciplinary bodies, which, although partly governed by the State, nonetheless possess their own internal order. Romano expressly refers in this respect to

This point is particularly important because Romano refuses to identify the juridical character of a phenomenon by reference to its substantive content. Morality, religion, custom, economic practice or technical rules may all enter the legal sphere when they are taken up and organized within an institution[253]. This pluralist theory of law implies that a plurality of legal orders can coexist, compete, or collaborate[254].

B) Application to the IVS

Applied to the IVS, Santi Romano's institutionalist theory appears, at first sight, better able than State-centered or sanction-centered theories to apprehend their juridicity. After assessing the autonomous juridicity of the IVS under Romano's theory (1), we will analyze their derived juridicity (2).

1. Autonomous juridicity of the IVS[255]

If juridicity depends on the existence of an institution, it remains necessary to identify the relevant institution.

At one level, the answer is straightforward: the IVSC itself may be regarded as an institution in Romano's sense. It is an organized social body, and, from this perspective, the IVS may possess juridicity within the internal institutional order of the IVSC, like the internal rules governing the functioning of the organisation. To the extent that the IVS structure the conduct of the IVSC's own institutional members, they may therefore be understood as legal norms within that institutional order.

The real difficulty, however, lies elsewhere. The IVS are not intended to operate only within the internal sphere of the IVSC. Their ambition is broader: they seek to orient valuation practices across jurisdictions, professions, firms, regulators, courts and markets. The question is therefore not merely whether the IVSC is an institution, but whether the IVSC and the broader circle of the addressees and users of the IVS together form a sufficiently unified social body to constitute an autonomous legal order.

This is doubtful. As shown above, the IVS are not addressed to a clearly delimited and unified professional community comparable, for example, to the members of a professional order. Their addressees are scattered across jurisdictions, sectors, professional bodies, valuation firms, courts, regulators and markets, and the reception of the IVS, while being broad, remains highly fragmented.

This fragmentation weakens the argument for an autonomous legal order. The IVSC produces standards, but it does not gather all users of the IVS into a single organized social body. In our

enterprises, schools, factories, clubs or disciplinary communities as "microcosms" possessing their own internal organisation (see S. ROMANO, op. cit., page 55).

[253] Ibid., pp. 32-34.

[254] Ibid., pp. 106-109.

[255] See supra, Part I, Chapter 1, Section 2, on the IVSC's legal nature, corporate purpose and absence of enforcement powers.

view, the IVS circulate within a plurality of social and professional spaces, which do not merge into one objectively observable institution.

2. Derived juridicity of the IVS

Even if the IVS do not form, under Romano's theory, part of an autonomous legal order, they may acquire derived juridicity when they are received by institutions.

a. State reception[256]

Where a State incorporates, adapts or relies upon the IVS within its own legal or regulatory framework, the IVS enter an institution, namely the State legal order. In the Ugandan and Nigerian examples, the IVS (to the extent that they are incorporated into such domestic legal norms) acquire juridicity not because they are autonomously legal, but because they become part of a State-backed institutional order.

A similar analysis can be applied to the South African OVG, which forms a unified social body and may therefore be regarded as an institution. The OVG's commitment to full acceptance and adherence to the IVS is translated into internal practices and valuation procedures. These may be considered, according to the institutionalist theory, as legal norms within the internal order of the OVG. The IVS could therefore acquire derived juridicity insofar as they are used within the OVG's own institutional framework to guide, verify and ensure the quality of valuations.

However, regarding the OVG's contractual or operational relationships with external valuers, since Romano's institution implies an organized social body and not a merely bilateral relationship, the mere engagement between the OVG and an external valuer, taken in isolation, would not constitute an institution. It would therefore be difficult to treat every individual obligation imposed on an external valuer as a legal norm in Romano's sense solely because the OVG requires IVS compliance.

b. Professional reception[257]

Unlike Kelsen's theory, which struggles to apprehend private professional orders unless they are directly authorized by the State, Romano's theory allows professional bodies to be understood as institutions. Red Book may therefore be considered a legal norm, not because it emanates from the State, nor because its non-compliance is sanctioned, but because it is adopted within the framework of RICS, an organized social body, with membership, standards, procedures and a professional identity. The IVS, as incorporated in the Red Book, acquire juridicity within that institution because they become part of the legal order governing RICS valuers.

---

[256] See supra, Part I, Chapter 2, Section 1, on State reception of the IVS, including the Ugandan Valuation Standards and the use of the IVS by the South African Office of the Valuer-General. See also supra, Part I, Chapter 2, Section 4, on the Nigerian Green Book.

[257] See supra, Part I, Chapter 2, Section 2, on professional reception through Valuation Professional Organisations, especially the incorporation of the IVS into the RICS Red Book.

c. Market reception[258]

Market reception must be approached with precision.

First, Romano's theory is broad enough to recognize that firms may constitute legal orders. International valuation firms are institutions, and where they internalize the IVS into methodologies, training and quality-control processes, the IVS may become part of the firm's internal normative order. In that sense, the IVS, as internalized by the firm, may acquire juridicity within the institution of the firm.

Second, this must be distinguished from the indirect pressure exercised by clients. The fact that clients may prefer firms aligned with international best practices does not necessarily mean that the market itself constitutes a legal order. In our view, such pressure could become closer to juridicity only if those market expectations were institutionalized, for instance through a sufficiently structured organisation (therefore constituting an observable unity) capable of stabilizing clients' expectations into common rules. In its current form, however, client pressure remains factual market pressure rather than part of a legal order.

Thus, under Romano's theory, the internal practices of an international valuation firm may be legal within the firm as institution, while broader pressure remains factual pressure unless it is stabilized by an institution.

Conclusion – Chapter 1

The three theories examined in this chapter all prevent the IVS from being recognized, at this stage, as autonomously legal norms. The result is therefore not an absence of juridicity, but a derived and fragmented juridicity: the IVS may become legal where they are received by State frameworks, professional orders, firms or sanctioning mechanisms, but their juridicity remains dependent on those receiving frameworks. Classical theories thus capture important fragments of the phenomenon, but not the broader transnational authority through which the IVS structure valuation practice. It is therefore necessary to turn to theories better suited to transnational private regulation, in order to assess whether the IVS may move beyond borrowed juridicity towards a more autonomous form of legal normativity.

[258] See supra, Part I, Chapter 2, Section 3, on market reception of the IVS, especially their internal absorption by international valuation firms and the limits of direct client pressure.

Chapter 2 – Towards an Autonomous Juridicity of the IVS

This final chapter turns briefly to legal theories more closely adapted to transnational private regulation. The aim is not to present a new complete theory of law, but to test whether the effectiveness of the IVS, analyzed in Part I, may itself support the emergence of a more autonomous form of juridicity.

Section 1 - Transnational Legal Theories and the Possibility of Autonomous Juridicity

The limits encountered by the theories examined above regarding the possible autonomous juridicity of the IVS invite a final shift towards contemporary theories of transnational law, which seek precisely to apprehend forms of normativity that do not fit comfortably within traditional categories of law.

Several authors have attempted, in this respect, to rethink the criteria through which a norm may be legally qualified. For instance, Frydman refuses to dissolve law into every form of social normativity, but argues that the value of a norm can no longer be assessed exclusively by reference to the formal pedigree of its author, but must also be evaluated by reference to "*the importance of the effects of regulation that it produces*"[259]. Others, such as François Ost and Michel Van de Kerchove, propose a theory in which the legal validity of a norm is articulated around three dimensions: factual validity, relating to the effectiveness of the norm, in the sense that it is effectively used by its addressees as a model to guide their behaviour[260]; formal validity[261]; and axiological validity[262].

These approaches share the same intuition: in a transnational regulatory space, juridicity cannot be assessed only by asking who enacted the norm. It must also be assessed by asking whether the norm actually structures conduct, stabilises expectations and is treated by relevant actors as a reference framework.

Section 2 – Zumbansen's Transnational Private Law and the Rough Consensus of Market Participants

This doctrinal movement is particularly relevant for the IVS. However, it is in the theory developed by Zumbansen that the possibility of autonomous juridicity appears most clearly[263].

A) Zumbansen's Theory of Transnational Private Law

Zumbansen's theory, mentioned above, is useful here because it transforms effectiveness into the sole criterion of juridicity. According to him, norms produced by private or hybrid actors

[259] B. FRYDMAN et A. VAN WAEYENBERGE (dir.), op. cit., 2014, pp. 33-34.
[260] F. OST and M. VAN DE KERCHOVE, op. cit., page 328-330
[261] Ibid., page 309. Formal validity or legality concerns a norm's belonging to the relevant legal system. A rule is valid where it displays the external signs of belonging to that system, namely the identifying criteria retained by the applicable rules of recognition. What is assessed, in other words, is the rule's pedigree.
[262] 337. Il est question d'apprécier la validité des actes et normes juridiques à l'aune de valeurs méta-positives.
[263] We focus on the on the author position as expressed in "Neither 'Public' nor 'Private', 'National' nor 'International': Transnational Corporate Governance from a Legal Pluralist Perspective".

may perform genuine regulatory functions where they become capable of orienting behaviour within a given field[264]. The decisive criterion is therefore the existence of what he calls a "*rough consensus*" around their normative quality. A rule may influence conduct and contribute to the formation of a transnational legal regime where a sufficient number of relevant market participants endorse it as binding, authoritative or at least sufficiently necessary "*to make it matter*". It is sufficient that, within the relevant field, there exists a broad agreement as to the binding or guiding quality of its essential content[265].

B) The IVS as an Autonomous Juridicity in Construction

Applied to the IVS, this theory provides the strongest basis for recognizing a form of autonomous juridicity. The question becomes whether the IVS have acquired, within the valuation field, a sufficient degree of recognition and practical endorsement to operate as a normative framework in their own right.

The answer must be nuanced. As Part I has shown, the IVS are not merely symbolic standards: they circulate through State frameworks, regulators, courts, VPOs, public entities and international valuation firms. In these contexts, actors do not merely know the IVS; they often organize their practices around them. From Zumbansen's perspective, this suggests that the IVS already "*matter*" as a transnational normative framework.

However, Part I has also shown that this consensus remains incomplete. The reception of the IVS is fragmented across continents, countries and sectors, with some jurisdictions or sectors not knowing, using or enforcing them. This prevents the conclusion that the IVS already benefit from a fully consolidated global consensus.

The most convincing conclusion is therefore intermediate. Under Zumbansen's theory, the IVS may be understood as possessing an autonomous juridicity in construction. Their juridicity emerges progressively from their reception, endorsement and practical consolidation within the valuation field. The IVS do not yet constitute a fully stabilized transnational legal regime, because their reception remains uneven. However, they are becoming, at least in certain contexts, a shared normative framework through which valuation actors define what a credible, transparent and professionally acceptable valuation should be. In this sense, the IVS illustrate the movement from derived juridicity towards a possible autonomous transnational juridicity: not a juridicity already fully achieved, but a juridicity progressively constructed through rough consensus, professional practice and global reception.

[264] Ibid., pp. 36-38.
[265] Ibid., page 39.

Conclusion

This thesis began from a simple question: can the International Valuation Standards be qualified as legal norms? The answer, however, could not be simple. The IVS do not belong to the traditional image of law. They are not enacted by a State, they are not imposed by a public authority, and the IVSC does not possess enforcement powers over the valuers, firms, professional organisations or regulators that may use them. Yet they circulate across jurisdictions, structure valuation practices and influence professional expectations. They therefore occupy a normative space that legal theory cannot ignore.

The main conclusion of this thesis is that the juridicity of the IVS is relative. It cannot be affirmed or denied in an absolute manner. It depends on the conception of law that is adopted. Under classical legal theories, the IVS do not possess autonomous juridicity. Their juridicity is only derived and fragmented: they may become legal in Uganda where they are incorporated into national valuation standards; in Nigeria through the Green Book; in the professional order of RICS through the Red Book; or within specific administrative, judicial, contractual or institutional contexts. But they are not legal norms as such.

However, this conclusion is only partial. It captures the IVS when they are incorporated into other orders, but it does not fully explain their broader transnational authority. This is why transnational legal theories are indispensable. They allow the analysis to move away from a binary opposition between law and non-law. The juridicity of the IVS is therefore not a fixed status that either exists or does not exist. It is a process, constructed gradually through reception, effectiveness, institutionalization and legitimacy. In this sense, the IVS are best understood as possessing an autonomous juridicity in construction.

This formula is important. It avoids two opposite exaggerations. On the one hand, it would be excessive to claim that the IVS already constitute a fully autonomous transnational legal regime. Their effectiveness remains uneven. Some jurisdictions have strongly received them; others barely know them. Some sectors, especially real estate valuation, appear more structured around IVS-based standards than business valuation, litigation valuation or financial reporting valuation in certain markets. Some professional organisations are powerful channels of transmission; others lack the capacity to monitor compliance. The global consensus around the IVS is therefore real, but incomplete.

On the other hand, it would be equally misleading to describe the IVS as merely voluntary technical recommendations. They are more than that. They are internalised by international valuation firms, incorporated by professional organisations, referred to by regulators and used by public bodies. They contribute to defining what a professionally acceptable valuation should look like. In Zumbansen's terms, they already "*matter*" to a sufficient extent in parts of the valuation field to support the idea of a rough consensus in formation.

The juridicity of the IVS is therefore not given. It is built.

This finding also allows the thesis to move from legal qualification to perspective. If the juridicity of the IVS depends on effectiveness[266], then strengthening their effectiveness may also strengthen their juridicity. This is true even under classical legal theories. For Kelsen, effectiveness matters legally where it is translated into State reception, regulatory reference or incorporation by legally recognised bodies. For François, effectiveness becomes juridically relevant where non-compliance with IVS-based standards is attached to credible consequences. For Romano, effectiveness is strengthened where the IVS are absorbed into organized institutions capable of stabilizing conduct. For transnational legal theories, effectiveness is even more central: the broader the reception of the IVS, the stronger the argument for autonomous transnational juridicity.

The empirical material gathered in this thesis suggests that four actors are particularly important in this construction: regulators, VPOs, academia and the IVSC itself.

First, regulators appear as decisive accelerators of effectiveness. Several interviewees converged on this point. Where regulators require IVS compliance, adoption is no longer left to slow professional persuasion. The standard becomes connected to public expectations, and, potentially, consequences for non-compliance. An expert's remarks are revealing in this respect: if regulators demand IVS compliance, VPOs, and ultimately individual valuers, will follow[267]. Another expert expresses the same idea through the image of the carrot and the stick: persuasion may work, but slowly; regulatory intervention can accelerate adoption significantly[268]. However, this does not mean that valuation regulation should be centralized. As a professional rightly observes, a global regulatory body would face major enforcement difficulties because legal systems remain national and diverse[269]. The more realistic path is therefore not one global regulator, but national and sectoral regulatory receptions of the IVS.

Second, VPOs remain essential. As seen above, they are often the institutional bridge between the IVSC and individual valuers. A practitioner's distinction is useful here: regulators may be decisive for regulated valuations, but many valuations occur outside regulatory frameworks, such as shareholder disputes or private assignments. In those contexts, VPOs may play a more important role than regulators[270]. Another expert's comments on self-regulating bodies confirm this point. In mature jurisdictions, professional bodies may already perform a strong regulatory function, making additional regulatory intervention less suitable.

[266] We refer to effectiveness in the sense that we adopted above, namely the practical capacity of the IVS to orient behaviour, structure expectations and be used by relevant actors as a reference framework. It does not require uniform or complete application; it requires a degree of reception sufficient for the IVS to *matter* within valuation practice.
[267] See Appendix 3.
[268] See Appendix 8.
[269] See Appendix 12.
[270] See Appendix 9.

Third, academia appears as a crucial actor. The effectiveness of the IVS cannot be secured only at the level of practicing professionals. It must also be built upstream, in the education of future valuers. An expert's position is particularly important: awareness starts at university[271]. If IVS are included in valuation courses, young professionals enter the market already familiar with their structure, purpose and importance. A professional reaches the same conclusion in the Nigerian context, where one of the remaining gaps is the integration of IVS into university curricula[272]. This is not a secondary issue. A standard becomes truly effective not only when it is imposed, but when it becomes part of the ordinary professional imagination of those who will later apply it.

Fourth, the IVSC itself remains central. Since it does not possess enforcement powers, its authority depends on engagement, responsiveness and proximity to the markets in which the IVS are expected to operate. The Ugandan example is particularly significant. The success of IVS reception there reflects dialogue, institutional support and IVSC engagement with local actors[273]. The organisation is highly aware of that, which can be seen through the recent creation of the *Middle East and Africa committee*[274] and in the broader project of creating an *Africa Desk*[275]. This matters not only for effectiveness, but also for legitimacy. Where standards are accompanied by consultation, education, adaptation and participation, they are more likely to be perceived as shared standards rather than imported standards, which positively impacts their effectiveness.

The final lesson of this thesis is therefore broader than the IVS themselves. The IVS show that contemporary law is not always born as law. Sometimes, it begins as practice. It circulates as a standard, is received by institutions, internalised by professionals, recognised by markets, invoked by regulators, taught by universities and gradually consolidated as a normative reference. Juridicity then appears not as a label attached once and for all to a norm because of its source, but as a process of construction through which a standard becomes capable of organizing conduct in a sufficiently stable and recognised way.

The IVS are situated precisely at this threshold. They are not yet fully autonomous legal norms. But they are no longer merely recommendations. They belong to that intermediate space in which transnational private standards acquire normative force before legal theory has fully named them. Their juridicity is therefore neither absent nor complete. It is relative, fragmented and emerging. It is borrowed in some contexts, and progressively autonomous where a rough consensus of valuation actors treats the IVS as the common language of credible valuation practice.

[271] Ibid.
[272] See Appendix 12.
[273] See Appendix 10.
[274] See Appendix 12.
[275] See Appendix 10.

REFERENCES

Articles

1. J. ARMOUR, C. MAYER and A. POLO, "Regulatory Sanctions and Reputational Damage in Financial Markets", *Journal of Financial and Quantitative Analysis*, 2017, pp. 1429-1448.
2. J. ARMOUR, C. MAYER and A. POLO, "Naming and Shaming: Evidence from Event Studies", Cambridge University Press, 2021.
3. J. CHEVALLIER, "Vers un droit post-moderne ? Les transformations de la régulation juridique", *Revue du droit public et de la science politique en France et à l'étranger*, 1998, pp. 659-714.
4. J. CHOI and H. WANG, "Stakeholder relations and the persistence of corporate financial performance", *Strategic Management Journal*, 2009, pp. 895-907.
5. B.L. CONNELLY, S.T. CERTO and C.R. REUTZEL, "Signaling Theory: A Review and Assessment", *Journal of Management*, 2010, pp. 39-67.
6. P.J. DIMAGGIO and W.W. POWELL, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields", *American Sociological Review*, 1983, pp. 147-160.
7. T. DONALDSON and L.E. PRESTON, "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications", *The Academy of Management Review*, 1995, pp. 65-91.
8. F. FONTANELLI, "Santi Romano and *L'ordinamento giuridico*: The Relevance of a Forgotten Masterpiece for Contemporary International, Transnational and Global Legal Relations", *Transnational Legal Theory*, 2011, pp. 67-118.
9. E. GONNELLA, "Regulation in Business Valuation: The Case of the International Valuation Standards Council", *Research Journal of Finance and Accounting*, 2018, pp. 102-115.
10. L.A. GORDON, M.P. LOEB and T. CHIH-YANG, "Enterprise Risk Management and Firm Performance: A Contingency Perspective", *Journal of Accounting and Public Policy*, 2009, pp. 301-327.
11. G. GREGOIRE, R. AYDOGDU, N. THIRION and Q. DETIENNE, "La sanction du marché : une tentative d'analyse microscopique du droit économique" [Paper presentation], *Le renouveau de la sanction en droit économique*, Alicante, Spain, 2025.
12. N. GUNNINGHAM, R.A. KAGAN and D. THORNTON, "Social License and Environmental Protection: Why Businesses Go Beyond Compliance", Centre for Analysis of Risk and Regulation at the London School of Economics and Political Science, 2002.

13. A. KATZ, “Taking Private Ordering Seriously”, *University of Pennsylvania Law Review*, 1996, pp. 1745-1765.
14. G.E. MARCHANT, “Swords and Shields: Impact of Private Standards for Liability Determinations of Autonomous Vehicles”, *Journal of Tort Law*, 2025, vol. 18, no. 1, pp. 321-323.
15. L.K. MCALLISTER, “Harnessing Private Regulation”, *Michigan Journal of Environmental & Administrative Law*, 2014, pp. 291-328.
16. K.P. MCMEEKING and M. BAMBER, “An Examination of International Accounting Standard-Setting Due Process and the Implications for Legitimacy”, *The British Accounting Review*, 2016, pp. 60-73.
17. M. POWER, “The Risk Management of Everything”, *The Journal of Risk Finance*, 2004, pp. 58-65.
18. M.C. SUCHMAN, “Managing Legitimacy: Strategic and Institutional Approaches”, *The Academy of Management Review*, 1995, pp. 571-610.
19. N. THIRION, “Hétéro-régulation, auto-régulation et co-régulation : esquisse théorique et application au marché des services de médias audiovisuels”, in F. JONGEN (ed.), *La directive services de médias audiovisuels - Le nouveau cadre juridique de l’audiovisuel européen*, 2010.
20. J. VAN ERP, “Reputational Sanctions in Private and Public Regulation”, *Erasmus Law Review*, 2008, pp. 145-162.
21. C. WINGARD, J. BOSMAN and M. AMISI, “The Legitimacy of IFRS: An Assessment of the Influences on the Due Process of Standard-Setting”, 2016, pp. 134-156.
22. P. ZUMBANSEN, “Neither ‘Public’ nor ‘Private’, ‘National’ nor ‘International’: Transnational Corporate Governance from a Legal Pluralist Perspective”, *Journal of Law and Society*, 2011, pp. 50-75.

Internet sources and institutional documents

1. COSO, “Enterprise Risk Management – Integrating with Strategy and Performance”, 2017, available at https://static.poder360.com.br/2023/09/Diretriz-Enterprise-Risk-Management-Coso-2017.pdf.
2. FERNANDEZ, E., “The International Valuation Standards Council – Building Trust in Valuation”, available at https://www.fig.net/resources/proceedings/fig_proceedings/fig2014/papers/ts11f/TS11F_fernandez_7352.pdf, s.d., consulted on 12 May 2026.
3. IOSCO, “IOSCO IVSC Statement of Cooperation – 18 October 2022”, available at https://www.iosco.org/library/pubdocs/pdf/IOSCOPD716.pdf.

4. IVSC, “Adoption of the IVS, Case Study – RICS”, available at https://www.ivsc.org/wp-content/uploads/2021/09/RICScasestudy.pdf, s.d., consulted on 12 May 2026.
5. IVSC, “Annual Report 2024/25”, available at https://ivsc.org/themencode-pdf-viewer/?file=https://ivsc.org/wp-content/uploads/2025/10/IVSC-Annual-Report-2024-25-1.pdf#zoom=auto&pagemode=none, s.d., consulted on 12 May 2026.
6. IVSC, “IVS Agenda Consultation 2024: Proposed Agenda & Summary of Responses”, available at https://ivsc.org/wp-content/uploads/2025/06/IVS_Agenda_Consultation-2025-28.pdf.
7. IVSC, “IVS Exposure Draft Consultation (2026)”, available at https://ivsc.org/consultations/ivs-exposure-draft-for-consultation-2026/, s.d., consulted on 12 May 2026.
8. IVSC, “IVS to Become Freely Available from January 2025”, available at https://ivsc.org/ivs-to-become-freely-available-from-january-2025/, s.d., consulted on 12 May 2026.
9. IVSC, “IVSC Academic Forum”, available at https://ivsc.org/ivsc-academic-forum/, s.d., consulted on 12 May 2026.
10. IVSC, “IVSC Investor Forum”, available at https://ivsc.org/ivsc-investor-forum/, s.d., consulted on 12 May 2026.
11. IVSC, “IVSC Perspectives Paper – ESG Real Asset Valuation: Sharpening the Focus, Not Reinventing the Wheel”, available at https://ivsc.org/pdfviewer/esg-real-asset-valuation/?auto_viewer=true#page=&zoom=auto&pagemode=none, s.d., consulted on 12 May 2026.
12. IVSC, “IVSC Review Group Report – Engagement Paper”, available at https://www.aasb.gov.au/admin/file/content102/c3/M147_10.2_IVSC_Engagement_Paper.pdf, s.d., consulted on 12 May 2026.
13. IVSC, “IVSC SRB Meeting Update January 2024”, available at https://ivsc.org/wp-content/uploads/2025/06/IVSC-SRB-Meeting-Update-January-2024-PDF.pdf.
14. IVSC, “Professional Insight: Integrating IVS within Deloitte’s Global Approach to Valuation”, available at https://ivsc.org/professional-insight-integrating-ivs-within-deloitte-s-global-approach-to-valuation/, s.d., consulted on 12 May 2026.
15. IVSC, “Sponsors”, available at https://ivsc.org/sponsors/, s.d., consulted on 12 May 2026.
16. IVSC, “Structure and Scope of the International Valuation Standards – Consultation Paper”, available at https://www.ivsc.org/wp-content/uploads/2021/10/Structure-Scope-Consultation-Paper.pdf, s.d., consulted on 12 May 2026.
17. IVSC, “Tenth Amended and Restated International Valuation Standards Council Bylaws”, available at https://www.ivsc.org/wp-content/uploads/2023/11/10.-Tenth-Amended-and-Restated-Bylaws.pdf, s.d., consulted on 12 May 2026.

18. MADANY, T., “Is the Valuation Profession Missing Its ‘IFAC Moment’?”, available at https://www.linkedin.com/pulse/valuation-profession-missing-its-ifac-moment-dr-tarek-madany-kt37f/, s.d., consulted on 12 May 2026.
19. NIGERIAN INSTITUTION OF ESTATE SURVEYORS AND VALUERS, “Draft of the Nigerian Valuation Standards, The Green Book”, available at https://niesv.org.ng/newsdocs/Green_Book.pdf, s.d., consulted on 12 May 2026.
20. PARLIAMENT OF THE REPUBLIC OF UGANDA, “Real Estate Sector Leaps Forward with Passing of Valuation Bill”, available at https://www.parliament.go.ug/news/4188/real-estate-sector-leaps-forward-passing-valuation-bill, s.d., consulted on 12 May 2026.
21. RICS, “Royal Charter, available at https://www.rics.org/content/dam/ricsglobal/documents/about-rics/corporate-governance/royal-charter.pdf, s.d., consulted on 13 May 2026.

Books

1. CALLIESS, G.-P. and ZUMBANSEN, P., *Rough Consensus and Running Code: A Theory of Transnational Private Law*, Oxford, Hart Publishing, 2010.
2. DIEUX, X., *Droit, morale et marché*, Bruxelles, Bruylant, DIEUX, X., *Droit, morale et marché*, Bruxelles, Bruylant, 20132013.
3. ELIANTONIO, M., VOLPATO, A. and RÖTTGER-WIRTZ, S. (eds.), *Global Standards and EU Law – Challenges for the EU Principles of Good Governance*, Cheltenham, Edward Elgar Publishing, 2025.
4. FRANÇOIS, L., *Le cap des tempêtes – Essai de microscopie du droit*, 2e éd., Bruxelles, Bruylant, 2012.
5. FRYDMAN, B. and CHÉROT, J. (dir.), *La science du droit dans la globalisation*, 1re éd., Bruxelles, Bruylant, 2012.
6. FRYDMAN, B. and VAN WAEYENBERGE, A. (dir.), *Gouverner par les standards et les indicateurs : de Hume aux rankings*, Bruxelles, Bruylant, 2014.
7. KELSEN, H., *Théorie pure du droit*, 2e éd., Paris, Dalloz, 1962.
8. BRUNSSON, N. and JACOBSSON, B. (eds.), *A World of Standards*, Oxford, Oxford University Press, 2002.
9. OST, F. and VAN DE KERCHOVE, M., *De la pyramide au réseau ? Pour une théorie dialectique du droit*, Bruxelles, Presses universitaires Saint-Louis, 2002.
10. ROMANO, S., *L’ordre juridique*, 2e éd., Paris, Dalloz, 1975.
11. THIRION, N., *Théories du droit – Droit, pouvoir, savoir*, 1re éd., Bruxelles, Larcier, 2011.

Legislation and regulatory instruments

1. South Africa, Property Valuation Act 17 of 2014, Government Gazette, 23 July 2014.
2. Estate Surveyors and Valuers (Registration, etc.) Act, No. 24 of 1975, 29 August 1975, Laws of the Federation of Nigeria 2004, Cap. E13, s. 2(d).
3. Commission de Surveillance du Secteur Financier, Circular CSSF 22/824, "Application of the Guidelines of the European Banking Authority on Loan Origination and Monitoring (EBA/GL/2020/06)", 22 December 2022.
4. Conseil de l'Institut des réviseurs d'entreprises, Opinion 2023/06, "Analysis of the Exceptions to the Preparation of an Audit Report on Contributions in Kind – Replacement of Opinion 2021/11", 13 June 2023.
5. Communication 2026/01, "Projet de loi impôt sur les plus-values – rôle du réviseur d'entreprises – état des lieux", 3 February 2026; IRE, "Nouvelles missions de valorisation dans le cadre de l'impôt sur les plus-values", 13 April 2026.
6. Republic of Uganda, *The Valuation Bill*, 13 December 2024.
7. Commission de Surveillance du Secteur Financier, *Self-assessment Questionnaire for the Collective Investment Sector*, 2026, unpublished document provided to the author by a practitioner, on file with the author.

Case law

1. *Kiri Industries Ltd v Senda International Capital Ltd and another and other appeals and other matters* [2022] SGCA(I) 5, Court of Appeal of Singapore, 6 July 2022.
2. *Devin Jethanand Bhojwani and others v Jethanand Harkishindas Bhojwani* [2024] SGHC 310, General Division of the High Court of Singapore, 5 December 2024.

APPENDIX

Appendix 13: Institutional Members of the IVSC[276]

Academic Member Organisations

*Denotes IVSC Sponsor Organisation.

- European Valuation Institute zu
- Facultad de Economía y Relaciones Internacionales de la Universidad Autónoma de Baja California (FEYRI UABC)
- Indian Institute of Corporate Affairs
- Institute for Mergers, Acquisitions and Alliances GmbH (IMAA)
- Institute of Finance, School of Business, University of Applied Science and Arts, Northwestern Switzerland
- International Institute of Business Valuators
- Italian Association of Professors in Accounting & Business Administration (SIDREA)
- Leventhal School of Accounting, University of South California
- Nanyang Technological University
- National University of Singapore
- Real Estate Development and Management, Ankara University
- Singapore University of Social Sciences
- Swiss Institute of Real Estate Appraisal (SIREA)
- Technology University Dublin, School of Surveying and Construction Management (TU Dublin)
- Universiti Teknologi Malaysia
- University of Economics, Prague
- University of Malawi - The Polytechnic
- World Association of Valuation Organisations (WAVO)

Associate VPO Member Organisations

- All India Institute of Valuers Foundation
- Auctioneers & Valuers Association of Australia (AVAA)
- Australian Institute of Business Brokers
- Azerbaijan Society of Appraisers
- Bangladesh Survey & Valuation Companies, Firms & Individual Concerns Association
- IIV India Registered Valuers Foundation
- Institute of Real Property Valuers in Rwanda (IRPV)
- KAF Institute (IKAF)

[276] IVSC, "Annual Report 2024/25", available at https://ivsc.org/themencode-pdf-viewer/?file=https://ivsc.org/wp-content/uploads/2025/10/IVSC-Annual-Report-2024-25-1.pdf#zoom=auto&pagemode=none.

- Kuwait Real Estate Valuers Association
- Luxembourg Valuation Professionals Association
- Nederlands Instituut voor Register Valuators
- Nepal Valuers Association
- Philippines Association of Realty Appraisers
- Technical Appraisers Corps of Peru (Cuerpo Tecnico de Tasaciones del Peru)
- Ukrainian Federation of Appraisers of Business & Intellectual Property (FOBIS) and Association of Bank Appraisers of Ukraine (ASBOU)
- Union of Economists of Turkmenistan
- Zambia Institute of Valuation Surveyors

Corporate Member Organisations

- 414 Capital
- 73 Strings
- Al Jal Real Estate services Co
- ArabArch Consulting
- Avista Valuation Advisory Ltd
- Awaed AL-Kuwait Real Estate Valuation
- BASEFIRMA ESPAÑA, S.L.
- BDO*
- Berkeley Research Group (BRG)
- BK Capital
- Bloomberg*
- Brand Finance Plc.
- Bridgewater Advisors Ltd
- CHFT Advisory and Appraisal Limited
- CJ Valuers Ltd
- Claro Real Estate Company
- Dar Al Qias Evaluation Company
- Darian DRS SA
- DBS Bank Ltd (DBS)*
- Deloitte*
- EY*
- EYGS LLP
- FGA Investment Banking
- Forvis Mazars*
- FTI Consulting Inc
- Garena Online Pte Ltd (SEA Ltd)
- Grant Thornton*
- Greater China Appraisal Hong Kong (GCA HK)
- Harvest Investments
- Houlihan Lokey*
- Inngot Ltd
- International Real Estate Valuer, owned by Emad Alfaraj
- J S Held Singapore Pte Ltd
- Jones Lang LaSalle (JLL)

- JPA Group
- JZ (Shanghai) Assets Appraisal Co Ltd
- KNAV Advisory Pte Ltd
- KPMG*
- Kroll LLC*
- Lincoln International LLP*
- Lineage Valuation & Allied Services Corp
- Malaga AAS Corporate Finance
- Mexcap Investment Banking Boutique
- Najmat Al Murjan Real Estate Valuation Services LLC
- NAVI Corporate Advisory Pte Ltd
- OBS AVALUOS, Sociedad Anonima
- Oman Investment Authority
- Osborne Partners
- Oversea-Chinese Banking Corporation Limited (OCBC)*
- Preston Rowe Paterson Australia
- PricewaterhouseCoopers (PwC) Advisory Services
- Pte Ltd Singapore
- Public Investment Fund (PIF)*
- PwC*
- Qatar Investment Authority
- Quantit SA de CV
- Real Quality Rating (RQR)
- RSM Botswana
- S&P Market Intelligence*
- Savills (UK) Ltd
- Shanghai Orient Appraisal Company
- Sparta & Co (SPARTA FİNANSAL DANIŞMANLIK ANONİM ŞİRKETİ)
- Stout Rossius Ross LLC*
- Thirty Four Real Estate Valuation
- United Overseas Bank (UOB)*
- Valuación Operativa y Referencias de Mercado S.A. de C.V.
- Valuation Research Corporation (VRC)
- VSA Private Valuers Ltd

Institutional Member Organisations

- Accounting Research and Development Foundation
- Agency for Geodesy, Cartography and Cadastre of the Republic of Moldova
- Asian Development Bank (ADB)
- Asociacon Espanola de Analisis de Valor (AEV)
- Association of Appraisal Organisations of Uzbekistan
- Australian Valuers Institute (AVI)
- Austrian Chamber of Tax Advisors and Public
- Accountants (Kammer der Steuerberater und Wirtschaftsprüfer)

- Chamber of Professional Valuers Bulgaria (CPV)
- Compagnie Nationale des Commissaires aux Comptes (CNCC)
- Conseil National de l'Ordre des Experts Comptables (CNOEC)
- Conselho Federal de Corretores de Imóveis (COFECI)
- Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC)
- Department of Municipal Affairs, Abu Dhabi
- Dubai Land Department
- Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON)
- European Mortgage Federation - Covered Bond & Mortgage Council (EMF-ECBC)
- Fédération Française des Experts en Évaluation
- Financial Reporting Authority Bangladesh
- Financial Reporting Council of Nigeria
- Fondazione Organismo Italiano di Valutazione
- ICSI Registered Valuers Organisation
- Institut der Wirtschaftsprufer in Deutschland (IDW)
- Institute of Chartered Accountants of Bangladesh (ICAB)
- Institute of Chartered Accountants of India (ICAI)
- Institute of Cost Accountants of India (ICMAI)
- Institute of Surveyors of Uganda (ISU)
- International Association of Assessing Officers (IAAO)
- Japanese Institute of Certified Public Accountants (JICPA)
- Korean Institute of Certified Public Accountants (KICPA)
- Malaysian Institute of Accountants (MIA)
- Ministry of Agriculture, Water and Land Reform Namibia
- Multilateral Investment Guarantee Agency (MIGA)*
- National Council for Real Estate Investment Fiduciaries (NCREIF)
- National Forensic Bureau of Georgia
- Panamerican Union of Valuation Associations
- Philippines Bureau of Local Government Finance (BLGF)
- Price Management Dept, Ministry of Finance, Vietnam
- Real Estate Regulatory Authority Bahrain (RERA)
- Saudi Authority for Accredited Valuers (TAQEEM)*
- South African Council for Property Valuers Profession (SACPVP)
- South African Institute of Chartered Accountants (SAICA)
- The Appraisal Foundation (TAF)*
- The Authority of Audit, Accounting, Property Valuation and Insolvency Management Lithuania (AVNT)
- Union of Accountants, Auditors & Financial Workers of Federation of Bosnia & Herzegovina (UAAFWFBH)
- Valuers & Experts Professional Development Centre
- Valuers Council Zimbabwe

Valuation Professional Organisation (VPO) Member Organisations

- American Institute of Certified Public Accountants (AICPA)*

- American Society of Appraisers (ASA)*
- Appraisal Institute*
- Appraisal Institute of Canada (AIC)*
- Asociación Profesional de Sociedades de Valoración (ATASA)
- Assessors and Registered Valuers Foundation India
- Association of Certified Appraisers Bosnia Herzegovina
- Australian Property Institute (API)
- Bosnian & Herzegovinian Property Association
- Certified Valuation Analyst Association
- CEV Integral Appraisers Foundation
- CFA Institute*
- Chamber of Valuers of Montenegro
- Chamber of Valuers of the Republic of North Macedonia
- Chartered Accountants of Australia and New Zealand (CAANZ)
- Chartered Business Valuators Institute (CBV)*
- China Appraisal Society*
- Consiglio Nazionale Geometri and Geomatri Laureati Italy (CNGeGL)
- Costa Rican Valuation Institute (ICOVAL)
- Croatian Society of Valuers/Appraisers
- Egyptian Association of Real Estate Appraisers
- European Association of Certified Valuators and Analysts e.V. (EACVA)
- Federación de Colegios de Valuadores, AC (FECOVAL)
- Finnish Association for Real Estate Valuation (SKAY)
- Ghana Institution of Surveyors (GhIS)
- Hong Kong Institute of Surveyors
- Hypzert GmbH
- ICMAI Registered Valuers Organisation
- Independent Valuers Society of Georgia (IVSG)
- Indonesian Society of Appraisers (MAPPI)
- Institute of Certified Accountants of Montenegro (ICAM)
- Institute of Philippine Real Estate Appraisers (IPREA)
- Institute of Valuers & Appraisers of Singapore (IVAS)*
- Institution of Surveyors of Kenya (ISK)
- Institution of Valuers India (IOV India)
- Institution of Valuers India Registered Valuers Foundation (IOVRVF)
- Instituto Brasileiro Avaliacoes (IBAPE)
- International Association of Certified Valuation Specialists (IACVS)
- Israel Real Estate Appraisers Organisation (IREAA)
- Japan Association of Real Estate Appraisers (JAREA)
- Korea Association of Property Appraisers (KAPA)
- Mongolian Institute of Certified Appraisers (MICA)
- National Association of Romanian Valuers (Asociatia Nationala a Evaluatorilor Autorizati din Romania) (ANEVAR)
- National Association of Valuers of Serbia (NAVS)
- Nederlands Register Vastgoed Taxateurs
- Nigerian Institute of Estate Surveyors and Valuers (NIESV)

- Norwegian Surveyors and Valuers Association - Norsk takst
- Office of the Valuer General South Africa
- Pan-Ukrainian Association of Valuation Specialists (PUAVS)
- Practising Valuers Association of India (PVAI)
- Property Institute of New Zealand (PINZ)
- Real Estate Institute of Botswana
- Registro Nacional de Avaluadores Columbia
- Royal Institute of Chartered Surveyors (RICS)*
- Royal Institution of Surveyors Malaysia
- Samfundet för fastighetsekonomi i Sverige AB (Association for Chartered Surveying, Property Evaluation and Transactions)
- Self-regulated organisation; The Chamber of Professional Independent Appraisers Kazakhstan
- Singapore Institute of Surveyors and Valuers (SISV)
- Slovenian Institute of Auditors
- Society of Chartered Surveyors Ireland (SCSI)
- South African Institute of Valuers (SAIV)
- Thai Valuers Association
- Turkish appraisers Association (TDUB) (TÜRKİYE DEĞERLEME UZMANLARI BİRLİĞİ)
- Ukrainian Society of Appraisers (USOA)
- Vastgoed Nederland 22

Appendix 14: Countries Represented in IVSC Technical Boards[277]

This appendix lists the countries represented within IVSC technical boards having standard-setting functions.

Business Valuation Board
UK, Romania, China, Poland, Australia, Hong Kong, Hong Kong, Cayman Islands, Uruguay, UAE, United States, Canada, Luxembourg, United States, Canada.
Financial instruments board
USA, France, United Kingdom, Czech Republic, Canada, USA, USA, USA, Canada, India, USA, USA, USA, USA.
Standards Review Board
United States, United Arab Emirates, Kenya, Canada, Singapore, Canada, United States, UAE, United Kingdom, Germany, United States, Portugal, Australia, United States, Canada.
Tangible Assets Board
Georgia, UAE, South Africa, India, Germany, Italy, United Kingdom, Hong Kong, Spain, Israel, Saudi Arabia, United States, United Kingdom, Australia.

[277] https://ivsc.org/boards/.