

# *Global Standards Development and Convergence Projects*

**Trevor R. Ellis**, MSc, CPG, CMA, FAusIMM  
Leader, Extractive Industries Task Force

**International Valuation Standards Committee**

[www.ivsc.org](http://www.ivsc.org)

Mineral Property Valuer  
Ellis International Services, Inc.  
Denver, Colorado, USA  
[www.minevaluation.com](http://www.minevaluation.com)

UNECE Ad Hoc Group of Experts  
on Harmonization of Fossil Energy and Mineral Resources Terminology,  
Third annual session, Geneva, 11-13 October 2006



# Convergence of Oil, Gas, and Hard Minerals Definitions

- Study of convergence at the request of the International Accounting Standards Board (IASB).
- By the Society of Petroleum Engineers (SPE) and the minerals industry's Committee for Reserves International Reporting Standards (CRIRSCO).
- The goal is to bring more uniformity to the two sets of definitions.
- The recommendations may be included in the UNFC.



# Enhancement of UNFC to Code Status

- CRIRSCO and SPE representatives have been studying how to raise the UNFC to the status of a Code or Standard for use in financial reporting.
- Codes already exist based on the CRIRSCO classification reporting of hard mineral reserves and resources.
- They do not already exist for reporting of oil and gas.



# Convergence of Financial Reporting Standards

- The convergence project for the world's major financial reporting standards with the IASB's International Financial Reporting Standards (IFRSs) began in 2001.
- The goal is to have all of the major financial reporting standards work the same as the IFRSs.



# Development of IFRS Extractive Activities Standard

- A comprehensive IFRS for the minerals and petroleum industries has yet to be written.
- The IASB's research project team is nearing completion of its studies.
- Will recommend which classification to use (SPE, CRIRSCO, UNFC).
- Will recommend which parts to report as Reserves and Resources.
- Will recommend on the reporting of the value of those by historic cost or by fair value measurement.



# International Valuation Standards (IVSs)

- The IVSs provides standards for determination of Fair Value for financial reporting, Market Value, and other types of value.
- Provides valuation standards for the extractive industries – minerals and petroleum.
- Drafting of extractive industries best practice valuation guidelines nearing completion.
- Convergence project of IVSs with USA's USPAP to result in one set of valuation standards.

