



27<sup>th</sup> October 2011

## **Brand Finance Institute launches the ‘Campaign for Independent Brand Valuation’**

More than a year after the International Organisation for Standardization (ISO) launched the ISO 10668 standard on monetary brand valuation, serious concerns remain that brand valuations continue to lack transparency, consistency and objectivity.

One of the key requirements of ISO 10668 is that brand valuers must be independent. However brand valuation units of large marketing services companies continue to value the very brands that their parent companies create and build.

To address this issue the Brand Finance Institute yesterday launched the **‘Campaign for Independent Brand Valuation’** at our Eighth Annual Forum; a call to action for all independent brand valuers to lobby for a higher standard of independence and transparency.

The Brand Finance Institute has created a manifesto for independent brand valuation to drive the debate forward. The campaign aims to ensure that all future brand valuations are conducted independently.

**David Haigh, CEO, Brand Finance and Chairman, Brand Finance Institute comments:** “For conflict of interest reasons auditors are now barred from providing consultancy and valuation services to their audit clients. In our view large marketing services firms should also be banned from valuing the brands which they earn the bulk of their revenues creating and building.”

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**Notes to editors**



The ISO 10668 can be accessed [here](#) and a summary document can be found on the brand directory website [here](#). To be compliant with the ISO standard brand valuations need to clearly define the brand asset to be valued, the reason for valuation, the date of the valuation, the basis, approach and method of valuation used, all key valuations assumptions relied upon and the qualifications and independent status of the brand valuer. Valuations should allow users to understand how values were arrived at so that they can challenge, test and repeat such valuations from time to time.

The five recognised threats to threats to professional independence are:

- (a) **Self-interest**; having an interest in the outcome of the valuation.
- (b) **Self-review**; forming a valuation opinion on an asset created by the valuation company.
- (c) **Advocacy**; moving from providing a genuine arm's length opinion to a biased opinion to promote the client's interests.
- (d) **Familiarity**; becoming too familiar with the management of the subject branded business.
- (e) **Intimidation**; letting commercial or other threats affect the result of the brand valuation.

### **About The Brand Finance Institute**

The Brand Finance Institute is the education and training division of Brand Finance plc in which technical and practical issues surrounding brands and brand measurement are explored. The BFI organizes events around the world featuring leading edge thinkers in the area of brand strategy, brand measurement and brand valuation, who come together to share their experiences and to better understand the process by which valuable brands are created.

### **About Brand Finance plc**

Brand Finance plc is an independent global business focused on advising strongly branded organisations on how to maximise value through effective management of their brands and intangible assets. Since it was founded in 1996, Brand Finance plc has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars. Its clients include international brand owners, tax authorities, IP lawyers and investment banks. Its work is frequently



peer-reviewed by the big four audit practices and its reports have been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance plc is headquartered in London and has a network of international offices in Amsterdam, Bangalore, Cape Town, Colombo, Dubai, Hong Kong, Istanbul, Johannesburg, Lisbon, Madrid, Moscow, Nairobi, New York, Paris, Sao Paulo, Sydney, Singapore and Toronto.

Numala Martin, Media Relations Manager

Tel: +44 207 389 9400

E: [n.martin@brandfinance.com](mailto:n.martin@brandfinance.com)

Ursula Delany, Team Spirit

Tel: 020 7360 7878

E: [udelany@teamspritpr.com](mailto:udelany@teamspritpr.com)