

## **SAMVAL**

### **MINUTES OF THE SAMVAL REWRITE COMMITTEE MEETING**

**24 FEBRUARY 2012 AT 10H00**

**HELD AT THE MILITARY MUSEUM**

**Present:** **G Njowa (standing in for Chairman)**

**A Macdonald**

**B Scott**

**H Bornman**

**J Luckmann**

**T van Zyl**

**J G Taylor**

**M Martinson**

**A Clay**

**R Croll**

**J McGill**

**H Hartman**

**J Upshall**

**V Duke**

**L Zindi**

**S Kadzviti**

**R Davel**

**V Bansi**

**Apologies:**

**A Clegg**

**A de Bruyn**

**D van Niekerk**

**M Mattera**

**R Becker**

**J Austin**

**K Redman**

**S Mathuray**

**D Dingerms**

**S Naicker**

**I Wermuth**

**J Porter**

**A Macfarlane**

**In Attendance:** **J Dixon (Manager, SAIMM)**

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### **1. Welcome and Apologies**

AMcF was unable to chair the meeting and requested GN to chair. GN welcomed everyone to the meeting and apologies were noted in the register.

The minutes from the SAMVAL Working group meeting of 3 November 2011 and the SAMVAL Rewrite working group meeting of 6 December 2011 were tabled.

Corrections to the 6 December minutes include:

In the list of attendees: the correct spelling of S Naicker, (c was missing), S Kadzviti (not Kadzvifi) and M Martinson was present, (was listed under apologies).

On page 2 under point 4.1: the correct spelling of I Wermuth (not Wemuth) and J Luckmann (not Luckeman).

### **2. Report back from the sub groups**

#### **2.1 International harmonization**

A decision was taken at the last meeting for the Chairman to form a working group that will initiate the process - the chairman must give an indication if this is still what is going to happen and indicate the members working in that sub-group.

## **2.2 Scope**

A position paper on scope was tabled at the meeting. RC reiterated the need to draw a distinction between valuers and evaluators. It was maintained that valuation methodologies have been specifically excluded from the mandate on scope and a separate sub group will be formed later on to deal specifically with this topic – there is no comments on valuation methodologies or the selection of these.

In addition, a general thought is not to be too specific with the scope because of the market place, it is considered prudent to avoid being too prescriptive. There is a need however to take cognisance of the process beyond the SAMVAL valuation.

In the meeting it was agreed that the Scope of SAMVAL should be extended to Oil and Gas. All inclusive of mineral assets and guided by legislation – this is to include the same minerals as those defined in the Act. It would also include quarries and aggregates. The sub group was requested to motivate why the oil and gas should be included.

## **2.3 Definitions**

AMcD presented a spread sheet of definitions drawn from across all the various codes and institutes affiliated with the codes. Commonality was then drawn and an attempt at harmonisation. However, this was still work in progress with more definitions being sort after.

Additional topics arose and where added to the list. The sub-WG is continuing to populate the table but already there are approximately 130 items for definitions. There are a lot of principles overlapping the definitions and there is need to review where they fit in.

RD suggested that the accounting related definitions be added. He will send them to AMcD. The subgroup on Scope will also have to take consideration on this document.

## **2.4 Principles**

A position paper in presentation format was tabled. It illustrated the process followed by the sub-WG, namely, highlighting three main roles:

- The make-up of the competent valuator
- SAMVAL's influence on the competent valuator (process)
- SAMVAL's influence on the results eventually delivered (product)

Further information and debate was then held on each specific role. Several definitions and concept then arose from the discussions and debates. Not all of the definitions and concepts are applicable and only those that survive the overall process will be defined. Consideration was also given to what types of results are required and what should be included.

The issue of ethics was raised – is a prescription code of ethics the answer and if so how would it be enforced. The JSE has published a Code of Ethics. The question then goes to the issue of discipline.

It was suggested that the group apply their minds to the look and feel of the final document. The group did mention that they did not apply their minds to how to align with the international bodies as they felt this was more a higher up discussion. It does however get covered by taking into account all the other organisations content.

There was a lot of discussion on the point of fair value. This is very important as there are numerous inharmonious points of view on this.

Discipline and registration should also fall into the topic currently under discussion and eventually a subgroup was formed with the following members Andy clay, Rob Croll, JSE rep etc.

### **3. Issues from ASX/JORC issues papers**

Other than the fact that a submission was made on this topic, nothing else was noted.

### **4. Position with regards to Oil and Gas (O&G).**

It was noted that if O&G are included, so should be marine diamonds. It was felt that O&G has to be included. There is a lot of work being done in South Africa at the moment. The JSE is also dealing with O&G requirements.

The JSE took a decision /a decision was taken 2 years ago to not include O&G as we did not have the expertise on part B of O&G. Until this has been proven otherwise, the position will remain the same. However the situation seems to be changing now and a new O&G working group is being considered under the SSC as there are several new experts being gathered on this subject in SA. It was suggested that Scope also deal with this in order to motivate why it needs to be included.

Changing O&G in SAMVAL will impact on the SAMREC code and cross-reference will be essential.

### **5. General**

#### **IVSC**

The IVSC has been holding bi-monthly conference-call meetings with the working group established last year. They have prepared a working paper that is still a work in progress in terms of its development but it will be circulated to all committee members' constituencies once finalised. As the committee is made up of people from all over the world, this will ensure that feedback is broad and the mandate will be one that is globally acceptable by the majority of interested and affected parties. They are very mindful of the fact that there are many rewrites happening around the world and they are taking that into account as best possible.

There was a question raised as to the jurisdiction of this working group as there is no clear indication of where the original mandate for this working group comes from. That is being investigated.

AMcF and AC are members of this working group. KR may also be but this is not confirmed.

#### **Legal perspective**

It was noted that we have a lack of legal input on the Codes. There is more potential for litigation now and there is not enough legal input. The final document will have to be legally checked.

There was a guideline attached to the SAMVAL code and AC will endeavour to obtain a copy and forward it on to JD for circulation amongst the WG. Based on that, a WG may be formed to deal with this.

A WG should be formed on registration and CP – AdB will be asked to chair this WG with the assistance of TvZ, VD, RC and AMcD.

## **6. Meeting Schedule for 2012**

Monthly meeting for now:

29 March

26 April

31 May

28 June

26 July

30 August

27 September

25 October

29 November