

MORE TRUST

**INTRODUCING THE AICPA'S CERTIFIED IN ENTITY
AND INTANGIBLE VALUATIONS™ (CEIV™) CREDENTIAL**

FAIR VALUE MEASUREMENTS AND MARKETPLACE DEMANDS

During the last 15 years, the global accounting model has increasingly gravitated toward the use of fair value as the basis for measuring the financial statement values of assets and liabilities.

Estimating fair value measurements often involves the use of sophisticated financial models, various valuation approaches, analytical assumptions and judgment. Fair value measurements for financial statement reporting generally fall into the following categories:

- Purchase price allocation for business combinations
- Goodwill impairment testings
- Intangible asset valuation (e.g., customer relationships, patents, etc.)

TRANSPARENCY IS THE CORNERSTONE OF WORLD-CLASS FINANCIAL REPORTING. // CHRISTOPHER COX DURING 2008 U.S. SEC COMMISSION ROUNDTABLE



There are more than 13,000 publicly traded U.S. companies that rely on fair value measurements for financial reporting. But since 2008, U.S. capital market regulators have raised concerns about the quality, consistency and transparency of these measurements.

According to a 2016 survey of fair value deficiencies published by Acuitas Inc., more than 72% of the available Public Company Accounting Oversight Board (PCAOB) 2009–14 audit inspection reports for the top 25 audit firms had fair value measurement and impairment audit deficiencies.

Fair value measurements continue to add a level of complexity to the audit process, resulting in significant deficiencies.

Regulators have encouraged various stakeholders in the valuation profession to collaborate and coordinate their efforts to establish the qualifications, training, accreditation and oversight of individuals conducting fair value measurements for financial reporting.

I HOPE THAT **COLLECTIVELY** WE CAN IMPROVE
THE STRUCTURE OF THE VALUATION PROFESSION SO THAT INVESTORS
HAVE THE CONFIDENCE IN THE INFORMATION THEY NEED TO MAKE
SOUND INVESTMENT DECISIONS. // **PAUL BESWICK,**
CHIEF ACCOUNTANT, U.S. SEC (2013 AICPA NATIONAL SEC CONFERENCE)

THE AICPA'S CERTIFIED IN ENTITY AND INTANGIBLE VALUATIONS (CEIV) CREDENTIAL

Based on marketplace demands and regulatory concerns, the AICPA recognized a vital need for increased competence and improved quality, consistency and transparency in the performance of fair value measurements for financial reporting.

To address regulatory concerns and protect the public interest, the AICPA has worked with other valuation professional organizations to explore possible solutions, including additional training, accreditation and oversight. As a result, the Institute has co-developed the CEIV credential to address fair value measurements for entity and intangible asset valuations for financial reporting.





THE NEW CEIV CREDENTIAL ADDRESSES AND PROMOTES:

CLARITY // CONSISTENCY // TRANSPARENCY

The CEIV credential will be available to members of the AICPA and The Chartered Institute of Management Accountants (CIMA) and finance professionals who demonstrate competence around fair value measurements, related audit considerations, financial reporting standards and AICPA professional standards. Finance professionals who do not have a CPA license will join the AICPA as Non-CPA Associate Members.

CEIV credential holders will stay ahead of the curve with their commitments to:

- Ongoing education
- Compliance with the Mandatory Performance Framework
- Submission to a proactive, ongoing engagement-level quality monitoring process

BENEFITS

With CEIV credential holders on staff, firms can further position their practices as global leaders in the advancement of fair value measurement reporting. They will be recognized for their dedication to approaching the valuation of entities and intangible assets in a consistent and transparent manner, thereby demonstrating a commitment to protecting the public interest.

CEIV credential holders will differentiate themselves from their peers and, most importantly, establish increased trust among clients. They will have the unique opportunity to attract a higher-value client base and participate in engagements that can have a profound impact on the U.S. economy and capital markets overall.

QUALIFICATIONS

The AICPA has determined the following requirements for CEIV credential holders:

- Meet a minimum number of hours of fair value-related experience (initial and ongoing)
- Undertake required fair value-related education (initial and ongoing)
- Successfully complete related valuation and fair value measurement exam(s)
- Submit to a proactive, ongoing engagement-level quality monitoring process
- Comply with the established Mandatory Performance Framework

WHY THE AICPA?

The world's largest accounting membership organization backs the quality, education and rigor of the CEIV credential, providing expert support for finance and accounting professionals worldwide. By obtaining certification through the AICPA, credential holders can take advantage of the Institute's:

- Reputation for integrity, trust and credibility
- Code of Professional Ethics
- Network of more than 418,000 members
- Advocacy on legislation that affects the accounting profession
- Leadership in the full accounting ecosystem
- History of serving the public interest since 1887

The AICPA provides the necessary tools and resources to help valuation specialists prepare for the CEIV credential exam. Credential holders can depend on the AICPA for access to continuing education materials and other resources that are vital to achieving professional goals.

**LEARN MORE // FOR MORE INFORMATION
ABOUT THE AICPA'S CEIV CREDENTIAL,
VISIT [AICPA.ORG/CEIV](https://aicpa.org/ceiv).**



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