

INTERNATIONAL VALUATION STANDARDS COUNCIL

**CODE OF ETHICAL PRINCIPLES
& COMPETENCY FRAMEWORK
FOR VALUERS**

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The IVSC Code of Ethical Principles provides a robust framework to guide **valuers** in upholding the highest standards of integrity, competence, and professional behaviour. Developed through extensive consultation with valuation experts, professional organisations, and market participants, this Code establishes core ethical principles that transcend borders, **asset** classes, and valuation specialisms. It is designed to complement the International Valuation Standards (IVS), reinforcing the essential values that underpin a credible and consistent valuation profession.



Valuation plays a fundamental role in global financial markets, shaping investment decisions, financial reporting, and economic stability. Trust in valuations depends not only on technical expertise but also on the integrity and ethical conduct of those who perform them. Ethics are the cornerstone of valuation professionalism, ensuring transparency, objectivity, and public confidence in valuation opinions.

The **IVSC Code of Ethical Principles** provides a robust framework to guide *valuers* in upholding the highest standards of integrity, competence, and professional behaviour. Developed through extensive consultation with valuation experts, professional organisations, and market participants, this Code establishes core ethical principles that transcend borders, *asset* classes, and valuation specialisms. It is designed to complement the International Valuation Standards (IVS), reinforcing the essential values that underpin a credible and consistent valuation profession.

Ethical challenges in valuation are complex and evolving. From conflicts of interest to data security and professional scepticism, valuers must exercise sound judgment while adhering to a clear ethical framework. This Code not only defines fundamental principles but also offers practical guidance on how to identify, assess, and mitigate ethical risks in valuation practice.

At the IVSC, we believe that professionalism in valuation is more than technical expertise—it is a commitment to ethical excellence. Whether you are an experienced *valuer* or new to the profession, this Code serves as a reference point for making ethical decisions in practice. By adopting and applying these principles, *valuers* contribute to the credibility of our profession and the stability of financial markets.

We encourage all valuation professionals, regulators, and stakeholders to uphold these ethical standards and integrate them into daily practice. The IVSC remains committed to working with valuation professional organisations (VPOs), industry leaders, and policymakers to strengthen ethical conduct across the profession.

Susan DuRoss

**Chair, IVSC
Standards Review Board**

Code of Ethical Principles

I Overview

1. The International Valuation Standards Council (IVSC) is a non-profit organisation dedicated to establishing and promoting global valuation standards to build confidence and public trust in valuations. The IVSC sets International Valuation Standards (IVS) which promote consistency and professionalism in the public interest. The mission of the IVSC is to enhance the quality and credibility of *valuation* practices worldwide.
2. The IVSC achieves this mission by:
 - a. Creating robust IVS that ensure consistency, transparency, and comparability in *valuations*.
 - b. Promoting the adoption of IVS and fostering *valuation* professionalism through Valuation Professional Organisations (VPOs) and *qualifying organisations* across the globe.
3. This Code of Ethical Principles (the 'Code') has been prepared by the IVSC Standards Review Board in conjunction with the Advisory Forum in order to promote worldwide ethical practice and conduct in *valuation*.
4. This Code consists of:

Introduction

Applicability

Valuer Principles

Fundamental Principles

Appendix 1 – Competency Framework

Appendix 2 – Risks

Appendix 3 – Discussion of Fundamental

Principles

Appendix 4– Glossary

5. The 'Valuer Principles' are contained within IVS (effective 31 January 2025) and to produce an IVS compliant *valuation* the *valuer* must comply with the "Valuer Principles" when performing *valuations*.
6. The 'Fundamental Principles' consist of five principles of conduct to which a *valuer* must adhere when providing a *valuation*.
7. The 'Fundamental Principles – Guidance' provides guidance on the conceptual approach that *should* be adopted in applying the Fundamental Principles.
8. Appendix 1 – Competency Framework identifies the principal categories of risk that may compromise a *valuer's* ability to comply with the Fundamental Principles and the types of safeguards that may be appropriate to avoid or mitigate those risks.
9. Appendix 2 – Risks contains additional discussion of the Fundamental Principles with some illustrations, though not intended to be all-inclusive, of some common risks to a *valuer's* ability to comply with each of them and steps that *should* be taken to avoid those risks.
10. Appendix 3 – provides a glossary of terms used both in this document and within IVS (effective 31 January 2025).

I Introduction

11. This guidance is designed to assist *valuers* with the approach that *should* be taken when applying the *Valuer Principles* and to identify, evaluate, and address risks to their ability to comply with the *Valuer Principles*.
12. The circumstances in which *valuers* operate may create specific risks to compliance with these Fundamental Principles – Guidance. Some common types of risks are identified in Appendix 2 to this Code. However, it is impossible to define every situation that creates risks to compliance with the Fundamental Principles and to specify the appropriate action to ensure compliance. *Valuation* assignments differ significantly in their nature and, consequently, different risks arise that require the application of different safeguards. This guidance may assist a *valuer* in concluding that a situation is permitted if it is not specifically prohibited by this Code or among the situations discussed in the appendices.
13. When a *valuer* identifies a potential risk to their ability to comply with the Fundamental Principles they *should* evaluate the significance of that risk. Some risks *should* be eliminated or mitigated to an acceptable level by taking appropriate safeguards. Examples of such safeguards are discussed in the appendices to this Code. In deciding whether it is appropriate to accept a





valuation assignment subject to putting such safeguards in place, the *valuer* should take into account whether an *intended user*, weighing all the specific facts and circumstances available at the time, would be likely to conclude that the risk or risks would be eliminated or mitigated to an acceptable level by the application of the safeguards and that compliance with the Fundamental Principles is not compromised.

14. If the risk or risks to the *valuer's* ability to comply with the Fundamental Principles cannot be eliminated or reduced to an acceptable level, either because the risk is too significant or because appropriate safeguards are not available or cannot be applied, the *valuation* assignment should be declined or discontinued
15. If in their professional judgment, a *valuer* encounters unusual circumstances in which the application of a specific requirement of the Code would result in a disproportionate outcome or an outcome that may not be in the public interest, it is recommended that the *valuer* must consult where appropriate with the *qualifying organisation* to which they belong or the relevant regulator or authority.
16. If a significant conflict cannot be resolved by either declining the assignment or putting in place safeguards, a *valuer* may consider obtaining professional advice from the relevant *qualifying organisation* or from legal advisors. This can generally be done without breaching the Fundamental Principle of confidentiality if the matter is discussed with the relevant *qualifying organisation* on an anonymous basis or with a legal advisor under the protection of legal privilege.
17. Instances in which the *valuer* may consider obtaining legal advice which varies, said advice *must* be assessed. For example, the *valuer* may encounter a fraud, the reporting of which could breach their responsibility to respect confidentiality. The *valuer* *must* report the fraud and resign from the assignment.
18. If, after exhausting all relevant possibilities, the ethical conflict remains unresolved, a *valuer* would need to decide whether, in the circumstances, it is appropriate to withdraw from the engagement team or specific assignment, or to resign altogether from the engagement, the firm or the employing organisation.

I Applicability of the Code

19. *Qualifying organisations* in membership of the IVSC are required to have rules requiring ethical conduct by their members. A *qualifying organisation* may adopt this Code or maintain its own rules, providing such rules reflect the applicable requirements of this Code.
20. The 'Fundamental Principles – Guidance' and the discussions in the appendices are applicable to all *valuers*. However, as stated in IVS 100 40.4 where the *valuer* is subject to the rules of a *qualifying organisation* and those rules contain specific actions that *should* be either taken or avoided in order to comply with the Fundamental Principles in the context of the *valuer's* area of practice, "such requirements *should* be prioritised, explained, documented, and reported in order to remain compliant with IVS."
21. In this Code references to a *valuer* are as outlined in the Glossary. (Glossary. (see Appendix 4) Depending on context, this may be an individual person, a firm or other corporate body.
22. This Code implies that *valuers* who use IVS, and this Code are competent and have the requisite knowledge, skills, experience, training, and education to perform *valuations*.
23. For the purposes of this Code and IVS, a *valuer* is defined as an individual, group of individuals or individual within an entity, regardless of whether employed (internal) or engaged (contracted/external), possessing the necessary

qualifications, ability and experience to execute a *valuation* in an objective, unbiased, ethical and competent manner. In some *jurisdictions*, licensing is required before an entity, or an individual can act as a *valuer*.



I Valuer Principles¹

24. In performing *valuations*, the *valuer* must comply with the following *Valuer* principles

- a. **Ethics:** the *valuer* must follow the ethical principles of integrity, objectivity, impartiality, confidentiality, competence, and professionalism to provide a non-biased *valuation* and to promote and preserve the public trust.
- b. **Competency:** the *valuer* must have the technical skills, knowledge and experience required to appropriately complete the *valuation*.
- c. **Compliance:** the *valuer* must disclose or report that IVS were used for the *valuation* and that they complied with those standards in performing the *valuation*.
- d. **Professional Scepticism:** The *valuer* must apply an appropriate level of *professional scepticism* at every stage of the *valuation*.

Fundamental Principles

25. It is fundamental to the integrity of the *valuation* process that those who rely on *valuations* have confidence that those *valuations* are prepared by *valuers* who have the necessary qualifications, ability and experience to execute a *valuation* in an objective, unbiased, ethical and competent manner. Accordingly, a *valuer* must comply with the following ethical principles:

- a. **Integrity:** to be straightforward and honest in professional and business relationships.
- b. **Objectivity:** not to allow conflict of interest, or undue influence or bias to override professional or business judgement.
- c. **Competence:** to maintain the technical skills, knowledge and experience, required to appropriately complete the *valuation* engagement. (see Appendix 1)
- d. **Confidentiality:** to respect the confidentiality of information acquired as a result of professional and business relationships and not to disclose such information to third parties without proper and specific authority (unless there is a legal or professional right or duty to disclose), nor to use information for the personal advantage of the *valuer* or third parties.
- e. **Professional behaviour:** to act diligently and to produce work within agreed timelines in accordance with IVS 101 Scope of Work and applicable legal requirements, technical and professional standards. To act in the public interest, where applicable and to avoid any action that discredits the profession.

¹ IVS (effective 31 January 2025): IVS 100 Valuation Framework, section 10 *valuer* principles.



APPENDIX

I Competency Framework

A1 Professional Knowledge and Professional Skills

A1.1 Professional Development:

Before being recognised as such a *valuer* shall have received:

1. Formal education and successful examination to the level of a university degree, or the equivalent. An equivalent may include an extended period of practical experience accompanied by formal or informal study at the end of which an individual can demonstrate to the relevant qualifying body that they understand and can apply concepts at the level that would be required to obtain a degree.
2. Education on *valuation* that includes at least the following subjects:
 - a. an understanding of economic theory and principles,
 - b. an understanding of market practices for the *valuer's* area of specialisation,
 - c. an understanding of recognised *valuation* concepts and principles for the *valuer's* area of specialisation,
 - d. the theory and application of *valuation* approaches and methods used in the market in which they intend to operate, the legal framework that is relevant to the market in which they intend to operate,
 - e. knowledge of the technical standards, guidance, legal, statutory, regulatory and/or other authoritative requirements appropriate for the

purpose and *jurisdiction* of the *valuer's* area of specialisation.

- f. This *valuation* specific education *should* be consistent with the requirements of the *qualifying organisation(s)*.
3. Training in the Fundamental Principles of ethical conduct as identified in the IVSC Code of Ethical Principles for *Valuers*.
4. Experience in applying the matters in 2 and 3 in a supervised work environment as promulgated by the *qualifying organisation(s)*.

Continuing Professional Development

(CPD): A *valuer* will be able to demonstrate a commitment to a programme of CPD throughout their period of practice as a *valuer* which is relevant to their chosen area of practice. This commitment may be accomplished by a combination of attendance and proficiency at recognised or approved training events and through self-study. Minimum periodic requirements are defined by the applicable *qualifying organisation(s)*.

A1.2 Professional Values, Ethics, and Behaviour

Character: Before being recognised as a *valuer* through admission to membership of a Valuation Professional Organisation or otherwise, an individual shall be able to demonstrate that they are of good character and reputation.

Conduct: A *valuer* should conduct themselves in accordance with ethical principles as identified in the IVSC Code of Ethical

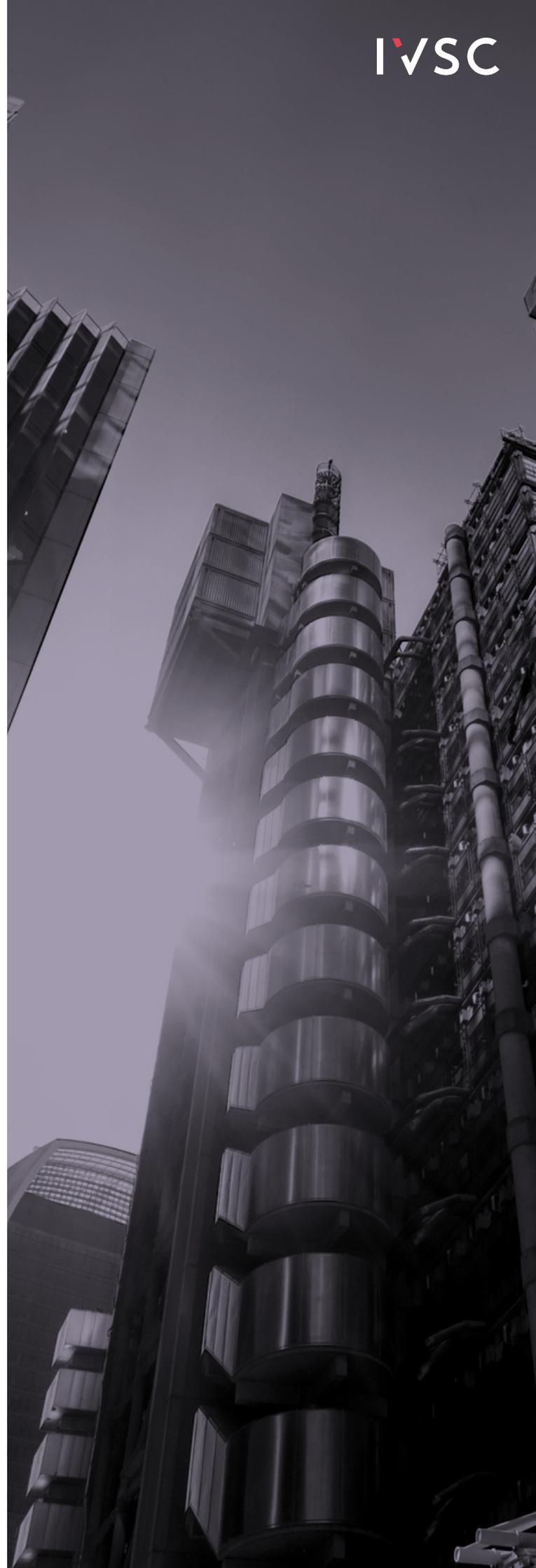
Principles for *Valuers* or any equivalent rules or code issued by a *qualifying organisation*.

Accountability: A *valuer* should be accountable for any failure to comply with the ethical principles of conduct or the competent application of professional knowledge and skills. Such accountability may be to a self-regulatory body such as a Valuation Professional Organisation or to a government sanctioned licensing body. In the absence of such bodies, accountability may be achieved through an employer's internal disciplinary procedures or by the *valuer* subjecting themselves to a system of peer review. To achieve the objective of accountability any system for reviewing the conduct of *valuers* should be easily accessible by any interested party wishing to make a complaint about a *valuer's* conduct.

Legal Compliance: A *valuer* should comply with the conditions of any statutory system of licensing or other regulatory requirements relating to the market or sector in which they operate.

I Risks

This Appendix includes discussion of the common categories of competency and ethical risks to a *valuer's* ability to comply with the Fundamental Principles and of the categories of safeguard that may eliminate or mitigate those risks. However, the enumeration of these risks is not intended to be exhaustive. A VPO to which a *valuer* belongs may have rules that identify different or more specific competency and ethical risks and impose safeguards against those risks that are appropriate to the area of *valuation* practice in which its members operate.



A2.1 Risks to a *valuer's* ability to comply with the Fundamental Principles may be created by a broad range of relationships and circumstances. A circumstance or relationship may create more than one risk, and a risk may affect compliance with more than one Fundamental Principle. Risks fall into one or more of the following categories:

- **Self-interest risk** – the risk that a financial or other interest will inappropriately influence the *valuer's professional judgement* or behaviour;
- **Self-review risk** – the risk that a *valuer* will not appropriately evaluate the results of a previous *professional judgement* made or service performed, or by another individual within the same firm or employing organisation, on which the *valuer* may rely when forming a judgement as part of providing a current service;
- **Client conflict risk** – the risk that two or more *clients* may have opposing or conflicting interests in the outcome of a *valuation*;
- **Advocacy risk** – the risk that a *valuer* will promote a *client's* or employer's position to the point that their objectivity is compromised;
- **Familiarity risk** – the risk that due to a long or close relationship with a *client* or employer, a *valuer* may be too sympathetic to their interests or too accepting of their work; and
- **Intimidation risk** – the risk that a *valuer* will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the *valuation* opinion.

A2.2 The extent to which any of the categories of risk listed above will impinge

on a *valuer's* ability to comply with the Fundamental Principles will depend upon the facts surrounding the potential assignment. For example, if Company A had launched a hostile takeover bid for Company B, a *client* conflict risk would arise if a *valuer* was to accept an instruction from Company A when it was already instructed by Company B. In contrast, if Company A and Company B could not agree on a price and jointly instructed the *valuer* to provide an independent *valuation*, no conflict would arise.

A2.3 Safeguards are actions or other measures that may eliminate risks or mitigate them to an acceptable level. They fall into the following broad categories:

- Safeguards contained in statutes or regulations relating to the *intended use* for which the *valuation* is undertaken.
- Safeguards contained in rules of conduct issued by a VPO or *qualifying organisation* to which the *valuer* belongs and
- Safeguards contained in a firm's internal working procedures and quality controls that are consistent with the *Valuer Principles*.

A2.4 Typical examples of safeguards contained in statutes or regulations include:

- a. regulations on the corporate structure and governance of firms providing *valuation* services
- b. statutory licensing of *valuers* for certain types of *valuations*
- c. regulations on the educational, training and experience requirements for individuals providing *valuation* services for specific intended uses.

- d. external review by a legally empowered third party of *valuations*, reports or other information produced by a *valuer*.

A2.5 Typical examples of safeguards created by a VPO include:

- a. requirements to comply with professional standards
- b. monitoring of compliance with professional standards and disciplinary procedures
- c. rules about the basis of remuneration for *valuation* assignments.

A2.6 Typical examples of safeguards in a firm's working procedures *should* include:

- a. structuring a firm so that the *valuer* or the team dealing with a *valuation* assignment is operationally separate from parts of the firm providing any service that could potentially create a conflict. Separation of managerial control, conditions of access to data and support services *should* all be considered as appropriate for the circumstances and the level of risk: -
- b. requirements for maintaining a register of the material personal interests of *valuers* and other staff engaged in *valuation* assignments in order to manage conflicts of interests.
- c. requirements for peer review of *valuations*, including independent internal review.
- d. periodically changing the *valuer* responsible for a recurring *valuation* assignment.
- e. controls on the acceptance of gifts or hospitality from those commissioning *valuations*.

A2.7 The typical examples of safeguards listed in the foregoing three paragraphs are not intended to be exhaustive, nor are they capable of avoiding or mitigating every risk that a *valuer* may encounter to their ability to comply with the Fundamental Principles

A2.8 The effectiveness of a safeguard will often be enhanced by its disclosure to the *client* and to any other party who may rely upon the *valuation*. Consideration *should* therefore be given to the disclosure of any safeguards appropriate to the assignment that are in place or that are proposed before an assignment is commenced. Consideration *should* also be given to including reference to these safeguards in the *valuation report* or any published reference to the report, especially where the *valuation* is to be relied upon by parties other than the commissioning *client*.

A2.9 Certain safeguards may increase the likelihood of identifying or deterring unethical behaviour. Such safeguards include:

- a. effective, well-publicised whistleblowing and complaint systems operated by the employing organisation, a VPO or a regulator, which enable colleagues, employers and members of the public to identify unprofessional or unethical behaviour
- b. an explicitly stated duty on *valuers* to report breaches of ethical breaches by other *valuers* to their firm or qualifying body.

Discussion of I Fundamental Principles

This Appendix examines each of the Fundamental Principles and provides illustrations of common risks to compliance and actions that a *valuer* can take to mitigate the risks outlined below. A VPO to which a *valuer* belongs may have rules that impose different or more specific detailed requirements that apply the Fundamental Principles to the area of *valuation* practice wherein its members operate.

Integrity

A3.1 The principle of integrity imposes an obligation on all *valuers* to be straightforward and honest in their professional and business relationships. Integrity also implies fair dealing and truthfulness.

A3.2 A *valuer* should not knowingly be associated with a *valuation*, a report containing a *value*, a reference to a *valuation* or any other communication about a *valuation*, or resulting *value* if they believe that it either:

- a. contains statements or information that are materially false or misleading or that are made recklessly; or
- b. omits or obscures information required to be included where such omission or occlusion is misleading.

A3.3 If a *valuer* becomes aware that they have been associated with such a violation of integrity, they *should* take immediate steps to be dissociate themselves from that violation, for example by issuing a modified *valuation report* or withdraw their *valuation report*.

Objectivity

A3.4 The principle of objectivity imposes an obligation on the *valuer* not to compromise their *professional judgement* or business judgement because of bias, conflict of interest or the undue influence of others.

A3.5 A *valuer* may be exposed to situations that may impair objectivity. It is impracticable to define and describe all situations to which a *valuer* may be exposed that would create a risk to objectivity. Some risks to objectivity are incapable of avoidance or mitigation and where this is the case the *valuer should* decline the assignment. However, some potential risks to objectivity may be either eliminated or effectively mitigated by safeguards. These safeguards can include appropriate disclosure of the risk to the relevant parties and obtaining their consent to proceed with the *valuation* assignment. Other safeguards are discussed in these appendices.

A3.6 Examples of situations that could create a risk, and which *should* prompt a *valuer* to consider either declining an assignment, or adopting safeguards to eliminate or mitigate any risk or perception of bias include:

- a. requests to produce *valuations* for the buyer and the seller of an asset and/or *liability* in a transaction
- b. requests to produce *valuations* for two or more parties competing for an opportunity
- c. requests to *value* for a lender where advice is also being provided to the borrower
- d. undertaking a *valuation* for third-party consumption where the *valuer's* firm has other substantial

fee-earning relationships with the commissioning *client*

- e. providing recurring *valuations* of the same *asset* and/or *liability* unless controls are in place to minimise the risk of self-review
- f. requests for a *valuer* to act as an advocate and as an expert in relation to the same matter.

A3.7 The extent to which any of the preceding examples will compromise the *valuer's* objectivity will depend upon the circumstances of each case – for example, the *intended use* of the *valuation*, the *client's* objectives and the practicality of eliminating or reducing the risk to an acceptable level by putting in place appropriate procedural safeguards.

A3.8 In considering whether a situation creates a risk to their objectivity, a *valuer* should recognise that it is often the perception of possible bias by others that creates the risk to the credibility of the *valuation*. There will be situations where some past or current involvement with either the *asset* and/or *liability* to be valued or a party interested in that *asset* and/or *liability* creates no material risk to objectivity, but which could give rise to a perception of bias if subsequently discovered by a party who has relied on the *valuation*. Disclosure of any past involvement in the scope of work and report can be an effective means of avoiding any perception of bias.

A3.9 Examples of other safeguards to prevent or minimise bias or the perception of bias can include:

- a. ensuring that the *valuer* and all those assisting with the *valuation* are operationally separate from

departments providing potentially conflicting services within the same firm

- b. disclosure of other fee-earning relationships with the commissioning *client* where the *valuation* may be relied upon by a third party.

A3.10 Where regular recurring *valuations* are provided of the same *asset* and/or *liability*, possible safeguards against the risk to objectivity arising from self-review include:

- a. providing for periodic peer review by a *valuer* or *valuers* unconnected with the assignment or
- b. periodically changing the *valuer* responsible for the assignment.

A3.11 If a *valuer* considers that a risk to objectivity can be eliminated or effectively mitigated by disclosure of the cause of the risk and any other safeguards taken or proposed, they should not breach the principle of confidentiality. If past involvement with an *asset* and/or *liability* or a party interested in the *asset* and/or *liability* cannot be disclosed without breaching the continuing duty of confidentiality to another *client*, the assignment should be declined.

A3.12 If a *valuer* considers that a risk to objectivity can be eliminated or effectively managed by reaching an agreement that they may proceed with two or more parties with potentially conflicting interests in either the outcome of the *valuation* or the subject *asset* and/or *liability*, they should ensure the parties are properly informed and aware of the potential consequences for their interest in consenting to the *valuer* being appointed. Obtaining agreement from two or more interested parties that a *valuation* assignment can be accepted does not

absolve the *valuer* from the duty to comply with the Fundamental Principles.

A3.13 If no satisfactory safeguards to eliminate or minimise the risk to objectivity can be identified the *valuer should* decline the assignment.

Competence

A3.14 The principle of competence requires a *valuer* to:

- a. maintain professional knowledge and skill at the level required to ensure that *clients, intended users* or employers receive competent professional service; and
- b. act in accordance with applicable technical and professional standards when providing professional services.

A3.15 Competent professional service requires the exercise of sound judgement in applying professional knowledge and skill in the performance of such service. Professional competence can be divided into two separate phases:

- a. attainment of professional competence; and
- b. maintenance of professional competence.

A3.16 The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a *valuer* to develop and maintain the capabilities to perform competently within the professional environment.

A3.17 A *valuer should* take reasonable steps to ensure that those working under their authority in a professional capacity have appropriate training and supervision.

A3.18 If a *valuer* does not have the professional knowledge and necessary experience to competently undertake a *valuation* assignment that is offered, the *valuer should* decline that assignment.

Confidentiality

A3.20 The principle of confidentiality imposes an obligation on all *valuers* to refrain from:

- a. disclosing outside the firm or employing organisation confidential information acquired as a result of professional and business relationships without proper and specific authority or unless there is a legal or professional right or duty to disclose; and
- b. using confidential information acquired as a result of professional and business relationships to their personal advantage, the advantage of the *valuation* firm or the advantage of third parties.

A3.21 A *valuer should* maintain confidentiality, including in a social environment, being alert to the possibility of inadvertent disclosure, particularly to a close business associate or a close or immediate family member.

A3.22 A *valuer should* maintain confidentiality of information disclosed by a prospective *client* or employer.

A3.23 A *valuer should* maintain confidentiality of information within the firm or employing organisation.

A3.24 A *valuer* should take reasonable steps to ensure that staff under the *valuer's* control and persons from whom advice and assistance is obtained respect the *valuer's* duty of confidentiality.

A3.25 The need to comply with the principle of confidentiality continues even after the end of a relationship between a *valuer* and a *client* or employer. When a *valuer* changes employment or acquires a new *client*, the *valuer* is entitled to use prior experience. The *valuer* should not, however, use within another *valuation* instruction or disclose any confidential information either acquired or received as a result of a professional or business relationship.

A3.26 The following are examples of circumstances where *valuers* are or may be required to disclose confidential information or when such disclosure may be appropriate:

- a. disclosure is required by law, for example:
 - i. the production of documents or other provision of evidence in the course of legal proceedings; or
 - ii. disclosure to the appropriate public authorities of infringements of the law that come to light.
- b. There is a professional duty or right to disclose, when not prohibited by law:
 - i. to comply with the quality review of a Valuation Professional Organisation or other professional body;
 - ii. to respond to an inquiry or investigation by a VPO or regulatory body;

- iii. to protect the professional interests of a *valuer* in legal proceedings; or
- iv. to comply with technical standards and ethical requirements.

A3.27 In deciding whether to disclose confidential information, relevant factors to consider include:

- a. Whether the interests of all parties, including third parties whose interests may be affected, could be harmed if the *client* or employer consents to the disclosure of information by the *valuer*.
- b. Whether all the relevant information is known and substantiated, to the extent it is practicable. When the situation involves unsubstantiated facts, incomplete information or unsubstantiated conclusions, *professional judgement* should be used in determining the type of disclosure to be made, if any.
- c. The type of communication that is expected and to whom it is addressed.
- d. Whether the parties to whom the communication is addressed are appropriate recipients.

Professional behaviour

A3.28 The principle of professional behaviour imposes an obligation on a *valuer* to act diligently in the service of their *clients* and to ensure that the service provided is in accordance with all legal, technical and professional standards that are applicable to either the subject of the *valuation*, the purpose of the *valuation* or both.

A3.29 Professional behaviour includes acceptance of a responsibility to act in such

a way that builds confidence and public trust in *valuations*. A *valuer's* duty is not limited to satisfying the needs of a particular *client* or employer. There is also a need to consider if professional decisions have a wider impact on unidentified third parties. For example, *valuations* are frequently undertaken that can directly impact upon third parties such as stockholders in a company or investors in a fund. While the *client's* needs are normally paramount, a *valuer should* avoid knowingly accepting any instruction that appears to be prejudicial to the interests of the wider public, and which could discredit their own reputation and that of the profession generally.

A3.30 In marketing and promoting themselves and their work, *valuers should* not bring the profession into disrepute. *Valuers* should be honest and truthful and not:

- a. make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; or
- b. make disparaging references or unsubstantiated comparisons to the work of others.

A3.31 Professional behaviour involves acting responsibly and courteously in all dealings with *clients, intended users* and the public at large and responding promptly and effectively to all reasonable instructions or complaints.

The word 'GLOSSARY' is centered on the page in a large, white, bold, sans-serif font. The background is a grayscale photograph of classical stone columns with fluted shafts and ornate capitals.

I Glossary

This glossary forms an integral part of this Code. All glossary definitions are italicised.

Asset or Assets: The right to an economic benefit.

Client(s): The person who engages the *valuer* for a given *valuation*. "*Clients*" may be internal (ie, *valuations* performed for an employer) or external (ie, when the *valuer* is engaged by a third-party).

Intended Use: The reason(s) for which a *value* is developed as described in the scope of work. This is also known as intended purpose.

Intended User: Any party identified by the *client* and *valuer* in the scope of work as users of the *valuation*.

Jurisdiction: The legal and regulatory environment in which a *valuation* is performed.

Liability: The present obligation to transfer an economic benefit. A *liability* has the following two essential characteristics:

- (a) it is a present obligation,
- (b) the obligation requires an entity to transfer or otherwise provide economic benefits to others.

Must: Actions or procedures that are mandatory.

Professional Judgement: The use of accumulated knowledge and experience, as well as critical reasoning, to make an informed decision.

Professional Scepticism: *Professional scepticism* is an attitude that includes a questioning mind and critical assessment of *valuation* evidence.

Qualifying Organisation: An organisation that is a member of the IVSC and this includes *Valuation Professional Organisations* (VPOs).

Should: The *valuer* is expected to comply with requirements of this type unless the *valuer* can demonstrate that alternative actions are sufficient.

Valuation: The act or process of forming a conclusion on a *value* as of a *valuation* date that is prepared in compliance with IVS.

Valuation report: The provision of a clear and well-structured description of the basis for the conclusion of *value*, which includes all information necessary to provide the *client* with a clear description of the scope of work, the work performed, *professional judgements* made and the basis for conclusions reached. The format of the *valuation reports* may range from comprehensive narrative reports to abbreviated summary reports.

Value (noun): The *valuer's* quantitative conclusion on the results of a *valuation* process that is fully compliant with the requirements of IVS as of a *valuation* date.

Valuer: An individual, group of individuals or individual within an entity, regardless of whether employed (internal) or engaged (contracted/external), possessing the necessary qualifications, ability and experience to execute a *valuation* in an objective, unbiased, ethical and competent manner. In some *jurisdictions*, licensing is required before one can act as a *valuer*.



INTERNATIONAL VALUATION
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