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The Property Valuation Board of the Central Chamber of Commerce of Finland appreciates the opportunity to comment the exposure draft of Proposed Code of Ethics for Professional Valuers and the Discussion paper of Definition of Professional Valuer.

The Boards' comments to both issues are attached.

Sincerely,



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The comments of the Property Valuation Board of the Central Chamber of Commerce of Finland

Proposed code of ethics for Professional Valuers

The structure of the proposed code of ethics is mainly good and clear and the introduction to the ethical principles is good and necessary. The proposed changes are mainly clearer in comparison with the current code. It is though a little bit unclear, whether the proposed code will replace the whole current code of conduct or only the "ethics" –part in it.

The Board wants to pay even more attention to the used language and expressions and their clarity, because the code is international and it is used in a large amount by experts whose mother tongue is something else than English. Now some proposed expressions were not that clear. Some of these unclear expressions have been mentioned below on the detailed part.

Some detailed comments

3.2. Objectivity

- ⇒ 3.2.1. "...must not act for two or more parties in the same matter..." Does this include some explicit time limit (and which that is) or is it prohibited always?
- 3.2.2. It should be considered if on line 2 the expression "no conflicts of duty" could be altered to form "no conflicts of duty – *even potential conflicts*".
- ⇒ 3.2.5. It should be considered if the sentence could be altered to form "Fees must not depend on a predetermined outcome *of the valuation*."

3.4. Confidentiality

- ⇒ 3.4.4. The structure of this particular point is a little bit unclear. It should be considered whether it would be better to add that these requirements bind the Valuer only when the client/intended user has specified them –not automatically

3.5. Professional behaviour

- 3.5.1. It should be considered whether it would be clearer to mention that these regulations are such that the valuer's profession demands.
- ⇒ 3.5.10. It is a little bit unclear who the "intended user" could be, so it should be clarified

Definition of a Professional Valuer

General questions:

1. Is the structure of the document clear?

The structure of the document is mainly clear. It should though be highlighted that the last part in the document (headed with "Credentials / Necessary Requirements for a Professional Valuer") presents only one alternative model to the requirements for becoming a Professional Valuer and the main principles in it. This model should only be one example- not the sole acceptable model.

2. If the document explains the concept of a Professional Valuer appropriately?

The document explains it very thoroughly. It should be highlighted – as mentioned above – that the presented model how to become a Professional Valuer is only one of the models. It should also be highlighted that the listed competencies needed for Valuers would only be considered as guidelines.

3. If there are any topics that need to be included in or deleted from the document?

The Valuation Board of the Central Chamber of Commerce of Finland does not support the discussion paper's idea that the University degree would be the only acceptable degree. In our point of view also the lower degree in certain cases should be acceptable. Also it has to be stated that lower degrees in Finland might be quite demanding and extensive as a whole. The principle of continuous education is good and we agree on that.

In Finland one must have an applicable degree and sufficient work experience until one can apply for the valuation exam. In very exceptional cases, if the work experience is very long and appreciated, the applicant may be accepted to the exam even without the degree at all. In the valuation exam also the ethical rules and principles are tested. Those who'll pass the exam, will get the license (Authorized Property Valuer). In order to keep their license, the Valuers have to educate them continuously and also maintain their professional skills by making property values or supervising subordinates' property valuation work. In Finland there are also so called official valuers, who work at government's offices (for example National Land Survey of Finland) or at municipality offices. A few of them have been authorized, but not all. They do the valuation work on official liability and only for the official purposes.

According to our experience, the lower degree on some valuers has not caused any problems. In Finland we have 186 authorized valuers and they make approximately 4600 values in a year as an Authorized Professional Valuer. The Board's Supervision Committee handles with 1-2 complaints in a year and only a few of them have caused disciplinary sanctions to Valuers. On our experience it seems that the lower degree does not cumulate the complaints. The authorization exam in Finland is demanding.

4. If the document should be more expansive of what a profession necessitates?

The document is already very thorough so it should not be more expansive. Still it should be mentioned – as noted above – that this document gives good guidelines, but not in all relations should be binding.