



**The Institute of
Chartered Accountants
in Australia**

30 September 2010

International Valuation Professional Board
41 Moorgate
London EC2R6PP
UNITED KINGDOM
By email: ivsc@ivsc.org

Dear Sir/Madam,

Comments on Exposure Draft– Proposed Code of Ethics for Professional Valuers

Thank you for the opportunity for The Institute of Chartered Accountants in Australia (“The Institute”) to provide comments on the IVSC exposure draft: Proposed Code of Ethics for Professional Valuers.

Overall, The Institute supports the issues considered in the exposure draft. The Institute also notes that its members already comply with a mandatory code of professional ethics, known as APES 110 - Code of Ethics for Professional Accountants and APES 225 Valuation Services. These two documents are attached separately as appendix 2 to this submission. Generally, the issues considered in your exposure draft are consistent with these requirements.

Detailed comments on the Exposure draft are set out in Appendix 1 which is included within this document. These were prepared by the Institute’s Business Valuation Special Interest Group (“BVSIG”), a special interest group whose members are most affected by the discussion document.

The Institute is Australia’s premier accounting body, which represents over 50,000 professional accountants. Our members work in diverse roles across public practice, commerce, industry, government and academia through Australia and internationally.

The Institute is a founding member of the international accounting coalition called the Global Accounting Alliance (GAA), which provides reciprocal arrangements with ten of the other leading accounting bodies in the world. The Institute is the only Australian accounting body within the alliance. The GAA represents more than 778,000 members world-wide and includes professional accounting organisations from America, Canada, Hong Kong, England/Wales, Ireland, Scotland, Japan, Germany, New Zealand and South Africa.

In July 2005 the Institute established the Business Valuation Special Interest Group (BVSIG) for the benefit of the Institute, members and stakeholders, including regulators and the community. The BVSIG currently has over 900 members working in the field of business valuation. The key aim of this group is to provide standards in the area of business valuations. The BVSIG is represented in most states and nationally.

Should you have any questions in relation to the matters discussed in the attached document, please contact Richard Stewart, Chair, BVSIG on +61 2 8266 8839.

Yours sincerely,

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General matters for comment

The intent of this Exposure Draft is to seek views from interested parties. The IVPB seeks comment on the proposed Code of Ethics and would like respondents to express a clear overall opinion of the Code. The IVPB is also soliciting comments on specific questions, together with supporting rationale. The IVPB would value comments on whether:

1. The structure of the Code is clear;

The structure of the Code is sufficiently clear.

2. There are any topics that need to be included or deleted from the Code;

There needs to be clarity in the objectivity section (3.2.1) about the requirement extending to the Valuer as an individual or his or her firm. In certain cases, firms may provide valuation advisory services under confidentiality agreements that would be violated by the execution of the communication envisaged in this section

3. The Code should be more or less expansive to professional needs;

No.

4. There are any parts of the Code that conflict with your market, local regulations or valuation disciplines.

As set out in the covering note to this submission, Professional Accountants who provide valuations and value advisory services are bound by Australian Professional standards, APES 110 and APES 225 (both included as Appendix 2). There are no major conflicts between these standards and the standards encompassed here.

However, we do note that the Code of Ethics only appears to contemplate form expressions of a valuation opinion, rather than indicative valuations or calculations of value, that may be provided, particularly in advisory situations. Accordingly, 3.2.9 and 3.2.10 should be limited to situations where a valuer is providing an opinion of value or other document that a third party may rely on, rather than advising a client on how to maximise value in a commercial negotiation.