

Attached is the API feedback in response to the call for comments regarding the proposed Code. Whilst there is a fine line between rules that deal with the execution of a valuation assignment rather than ethical issues, the Australian Property Institute believes the recommended additions below will enhance the Fundamental Principles as proposed.

The following enhancements as recommended are self explanatory:

A1.1. Threats to a professional 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 threat, and a threat may affect compliance with more than one fundamental principle. Threats fall into one or more of the following categories:

(e) **Impartiality threat** – the threat that a professional valuer will adopt the role of advocate in a case where their duty is to exercise independence and impartiality; and

(h) **Instructions threat** – the threat that without written instruction a professional valuers position may be compromised when called upon to defend a valuation report; and

(i) **Competency threat** – the threat that a professional valuer may undertake work outside the limits of their qualifications and experience without the assistance of a professional valuer with such qualifications and expertise.

A1.4. Examples of safeguards in the work environment include:

- Requirements that all instructions, including variations, be in writing.

Objectivity

A2.6. A professional valuer may be exposed to situations that may impair objectivity. It is impracticable to define and prescribe all situations to which a professional valuer may be exposed that would create a threat to objectivity. Some threats to objectivity are incapable of avoidance or mitigation and where this is the case the professional valuer should decline the assignment. **An example of such being a professional valuer requested to act as an advocate and expert in the same matter.**

A2.7. Examples of situations that could potentially impose a threat and which should prompt a professional valuer to consider adopting safeguards to eliminate or avoid any threat or perception of bias include:

- Requests to act as an expert in a matter where another member of the same firm has acted as an advocate in that matter, and vice versa.

A2.12. Examples of other safeguards to prevent or minimise bias or the perception of bias can include

- Ensuring that the professional valuer and all those assisting with the valuation are operationally separate from departments providing potentially conflicting services within the same firm. **Where requests result in such potential conflicts arising, full disclosure to the relevant parties is critical.**

Regards

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