

September 30, 2010

Mr. Brad Wagar, Chairman  
International Valuation Professional Board  
International Valuation Standards Council  
41 Moorgate  
LONDON EC2R 6PP  
United Kingdom  
[CommentLetters@IVSC.org](mailto:CommentLetters@IVSC.org)

RE: Comments on Discussion Paper *Definition of a Professional Valuer*

Dear Mr. Wagar:

On behalf of the Appraisal Institute, its Appraisal Standards Committee ("ASC") submits these comments on the Discussion Paper *Definition of a Professional Valuer*. We appreciate the service that the International Valuation Professional Board ("IVBP") provides to the profession and its continuing dialogue with the global valuation community.

In preparing these comments the ASC noted that several of its comments previously submitted to the IVBP have been incorporated into this Discussion Paper, and trusts the Board will continue to find our comments and suggestions useful.

### **Comments on General matters**

#### **1. The structure of the document is clear.**

No. The title of the document is "*Definition of a Professional Valuer*" but the document contains no precise definition of the term "Professional Valuer." We believe that the understandability of the document would increase greatly if it began with a definition of Professional Valuer and proceeded from there.

An additional example of confusion in the current structure of the document is that the introduction states "the definition of a Professional Valuer is someone who satisfies the criteria set forth within this document" but the criteria are never clearly identified in the document. Are the "criteria" the competencies, competency requirements, skills, credentials and necessary requirements that are listed in the document?

#### **2. The document explains the concept of a Professional Valuer appropriately.**

No. See response to 1 above. The definition of Professional Valuer should not be a puzzle that the reader of the document needs to solve.

**3. There are any topics that need to be included in or deleted from the document.**

The answer to this may depend on the definition of Professional Valuer that should be developed to serve as a foundation for this document.

**4. The document should be more expansive of what a profession necessitates?**

Once again, the answer to this may depend on the definition of Professional Valuer that should be developed to serve as a foundation for this document.

**Comments on specific matters**

**1. Would this document benefit by including a more in-depth discussion of some of the topics introduced. For example, should the document contain discussion related to valuation specialties such as business interests, financial instruments, intangible assets and real estate?**

Such a discussion could be useful, at least at the exposure stage. The recommendation of the ASC is that, at minimum a short discussion about what, if any, differences in the Standards there might be among the three asset classes covered by the Standards; real, personal and intangible property.

**2. Are there additional competencies that should be included in this document?**

The discussion of the core competency framework, competency requirements and types of competencies gets confusing, in part because "competency" and "skill" are seemingly used as synonyms in these sections. Are they meant to be interchangeable? If so, why use both terms?

The "Professional Valuer: Core Competency Framework" section of the document states in part: "Competencies define the knowledge, skills and behaviours required for success globally and across a valuation organization at a point in time." We continue to believe that this sentence is confusing. Should "competencies" be leading a valuer to "success" rather than credible opinions and meaningful reports?

This sentence is so unclear that we suggest it be considered for deletion.

Attached for your consideration is a document that was prepared by an Appraisal Institute Project Team that was considering in part the question, "what is a professional appraiser (valuer)?" This document was part of the Project Team's work papers. It contains some additional competencies and/or ideas that might be useful in the development of this Discussion Paper.

**3. Should a university degree be a pre-requisite for entering the valuation profession?**

Yes, from an accredited institution.

- 4. In determining whether to include the requirement for a university degree, the IVPB agreed that it was important to decide whether the purpose of the document was to illustrate the current position regarding the education and training of the valuation profession or to set the bar for future entrants.**

We believe that the document should illustrate the current position regarding the education and training of the valuation professional.

- 5. Should there be increased focus on a need for licensing/regulation?**

There probably does not need to be any increased focus on a need for licensing/regulation as the professional valuer needs to comply with government licensing and regulation requirements; neither individual Professional Valuers nor professional organizations set such licensing or regulatory requirements.

- 6. Should there be an increased emphasis of the importance of adherence to a code of conduct, such as the IVSC's Code of Ethics, and enforcement by a regulatory body?**

There probably does not need to be any increased emphasis on the importance of adherence to a code of conduct and enforcement as the Professional Valuer needs to comply with any applicable code of conduct and cooperate with any regulatory body with appropriate jurisdiction.

Thank you for your consideration of our comments. If you have any questions about these comments please feel free to contact me.

Sincerely,

*(Submitted Electronically)*

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Attachment: Components of Professionalism

## **Attachment**

### **Components of Professionalism**

(from the work file of the Appraisal Institute's Professionalism Project Team)

#### **Ethics/Integrity**

The professional appraiser strictly adheres to all applicable standards and ethical rules and acts with honesty and integrity in the performance of all appraisal services.

#### **Competency**

The professional appraiser develops competency through advanced education, continuing education and experience. The professional appraiser relies on education and experience to develop judgment and reasoning. The professional appraiser strives to continuously improve his or her knowledge and skills.

#### **Image**

The professional appraiser strives to present a positive image of the profession to clients and to the public.

#### **Services**

The professional appraiser strives to consistently provide high quality services, reports and other products to clients and other users of appraisal services.

#### **Reliability**

The professional appraiser strives to meet commitments to clients.

#### **Accountability**

The professional appraiser recognizes and accepts responsibility for his or her actions.

#### **Public Trust**

The professional appraiser recognizes the vital role that appraisers play in the well-being of our society and he or she strives to promote and maintain a high level of public trust and confidence in the profession.

#### **Public Service**

The professional appraiser is committed to the betterment of society and he or she participates in public and community service for the public good.

#### **Courtesy**

The professional appraiser strives to act with civility and courtesy to all.

#### **Membership in a professional association**

The professional appraisal joins and actively participates in a professional association. The professional appraiser participates in the processes of self-regulation, including admissions, government relations and peer review.