不動産鑑定評価の国際化対応等に関する調査報告書

平成27年3月

国土交通省 土地・建設産業局
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調査の概要

1. 業務の目的
不動産鑑定評価制度は、不動産鑑定士が合理的な価格情報を不動産市場に提供することを通じて、不動産の適正な価格形成を担っており、市場の制度インフラとして重要な役割を果たしている。
近年、日本企業の海外進出、海外不動産投資の活発化や海外からの投資拡大といった市場の国際化が進んでいるが、今後一層の市場の国際化を進めるためには、不動産市場の透明性・客観性の向上に寄与する不動産鑑定評価への信頼性を高め、不動産鑑定士の質の更なる向上を図ることが重要である。
本業務は、我が国の不動産鑑定評価の国際化対応を目的として、鑑定評価制度の信頼性の維持・向上に資する海外の制度等の情報の収集・整理を行うとともに、我が国に導入する際の効果及び課題等について検討を行うものである。

2. 業務内容
我が国の不動産鑑定評価の信頼性の維持・向上に向けた検討に資するため、海外（アメリカ、イギリス、オーストラリア、シンガポール及び香港）における以下の制度について、既存文献やホームページ情報、ヒアリング等を通じて、情報の収集・整理を行う。また、我が国に導入する際の効果及び課題等について検討を行う。
①不動産鑑定評価に係る資格制度の概要及び対象（専門）分野等に応じた資格の区分に係る状況等
②不動産鑑定評価に係る資格の更新制度、資格取得後の研修・講習制度の内容
③不動産鑑定評価の適正性確保に係る制度等（鑑定業者・鑑定人のローテーションルール、二者による鑑定評価の実施等）

3. 調査期間
平成26年12月10日～平成27年3月20日

4. 調査方法
既存文献及び資料、Webサイトで公開されている情報及び資料、現地不動産鑑定専門家団体及び不動産鑑定専門家への情報照会、現地調査による不動産鑑定専門家へのヒアリングなど
5. 調査責任者及び担当者

調査責任者  公益社団法人日本不動産鑑定士協会連合会
       常務理事・国際委員長、不動産鑑定士  山下 誠之

調査担当者  同 国際委員会副委員長、不動産鑑定士  水谷 賀子
       同 国際委員会委員、不動産鑑定士  市川 丈
       同 国際委員会委員、不動産鑑定士  福山 雄次
       同 国際委員会委員、不動産鑑定士  栃岡 研悟
       同 国際委員会専門委員、不動産鑑定士  五十嵐 殉也
       同 国際委員会専門委員、不動産鑑定士  大久保 照代
アリババ
イラン
オーストラリア
シングapur
香港

### 登録資格

**アメリカ**

*Licensed Residential Real Property Appraiser*

住宅不動産鑑定人

*Certified Residential Real Property Appraiser*

住宅不動産鑑定人

*Certified General Real Property Appraiser*

総合不動産鑑定人

**イラン**

*SPRA*

スペル・サーベイラ

**オーストラリア**

*MAA*

メンバー会員

*SPRA, SPIRA*

メンバー会員（SPRA, SPIRAの上級会員）

*MRICS*

MRICSのメンバー会員,

RICSのフェロー会員

*FRICS*

RICSのフェロー会員

Registered Valuer

登録評価人

**シンガポール**

Licensee (Appraiser)

認可鑑定人

*FBSIV*

FBSIVのメンバー会員

*FSISV*

FSISVのメンバー会員

*MHKIS*

MHKISのメンバー会員

*RICS*

Royal Institution of Chartered Surveyors (RICS)

**香港**

Appraisal Institute

不動産評価人

**香港**

FRICS

RICSのフェロー会員

**オーストラリア**

State of Queensland

クイーンズラント

Australian Property Institute

オーストラリア不動産協会

**シンガポール**

Hand Revenue Authority of Property Tax

Singapore Institute of Surveyors and Valuers

**香港**

Surveyors Registration Board (SRB)

**香港**

Hong Kong Institute of Surveyors (HKS)

**香港**

香港サーベイラーズ協会

### 登録機関

**アメリカ**

Appraisal Institute

**オーストラリア**

RICS

**シンガポール**

Hand Revenue Authority of Property Tax

**香港**

Surveyors Registration Board (SRB)

**香港**

Hong Kong Institute of Surveyors (HKS)

**香港**

香港サーベイラーズ協会

### 登録の要件

1. 必須科目を含む50時間の授業を受講した。

2. 2,000時間の厳格な実務経験（2年間）。

3. 10年以上の雇用状況を保持した。

4. AQBにおける30以上の実務経験を持つ。

5. 二つの試験の受験・合格。

### 不動産評価人資格更新基準

**アメリカ**

1. USPAPおよび管理計画に関する教育または実務経験が必要である。

2. 500時間の専門実務経験（2年間）。

3. 3,000時間の住宅実務経験（5年間）。

4. 4,500時間の専門実務実践販売経験（10年間）。

5. 資格を維持するための継続教育プログラム（Professional Development）を受講していること。

### 南オーストラリアのValuers Registration

2015年2月28日時点で
3,461名

2015年1月1日時点での登録人数は、2015年8月28日時点で
3,543名

登録数

1. 14時間の継続教育コースを修了した。

2. これまでに、フランスのUSPAPコースを受講した。

継続教育

### 繰り返し

2015年1月1日時点での登録者数は、2015年8月28日時点で
3,461名

2015年1月1日時点での登録者数は、2015年8月28日時点で
3,543名

登録者数

2015年1月1日時点での登録者数は、2015年8月28日時点で
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2015年1月1日時点での登録者数は、2015年8月28日時点で
3,543名

登録の更新

2015年1月1日時点での登録者の数は、2015年8月28日時点で
3,461名
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<tr>
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<td>上場REITに関する制度・実務慣行</td>
<td>外部の独立した不動産鑑定士による鑑定評価の義務付け</td>
<td>上場REITと不動産融資に固有の不動産鑑定評価に関する規制はなく、鑑定人が確定した鑑定評価を行なう場合には英国王立チャータードサーベイヤース協会が策定するRICS評価基準（Red Book: RICS Valuation Professional Standards）に従う必要がある。</td>
<td>オーストラリアでは、上場REITを対象とした確定評価に関する規制はなく、REITに関する規定を参照する投資用不動産、証券に関する規制を参照する。REITごとに独自に不動産の評価方針を設定されているようである。</td>
<td>プラットフォームに組み込まれている不動産は、1年(決算年度)に1回以上、外部の鑑定人が確定した実績評価を行うことが求められている。また、プラットフォームの運用者と環境橋渡しを行う場合、6か月以内に確定評価が行われており、不動産価格に変動が認められる場合には、改めて株上評価を行うが否かの判断をすることが求められている。</td>
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<td>不動産鑑定士等のローテーション</td>
<td>独立鑑定人は連続して3年間、REITスキームに組み込まれている不動産の鑑定評価を担当した場合には当該不動産の鑑定評価に基づく独立鑑定人を退任しなければならず、その後3年間は当該不動産についての独立鑑定人になることはできない。</td>
<td>上場規則により、独立鑑定人は連続して3年間、REITスキームに組み込まれている不動産の確定評価を担当した場合には当該不動産の確定評価に基づく独立鑑定人を退任しなければならず、その後3年間は当該不動産についての独立鑑定人になることはできない。</td>
<td>独立鑑定人はHKISが策定するHKIS評価基準（HKIS Valuation Standards）に従って確定評価を行うことが求められている。また、独立鑑定人の所要鑑定事務についての実施状況も定められている。</td>
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<td>その他</td>
<td>特にない</td>
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不動産融資に関する制度・実務慣行

| 外部の独立した不動産鑑定士による確定評価の義務付け | 独立した空家改修に関する関係法律 FIRAのTitle XI (1989) Interagency Appraisal and Evaluation Guidelines (December 2, 2010) | 公的な規制はなく、個別の金融機関が確定評価の審査手続きや鑑定人の選定に関する内部規則を設けているのが一般的である。 | 公的な規制はなく、個別の金融機関が確定評価の審査手続きや鑑定人の選定に関する内部規則を設けているのが一般的である。 | 銀行の不動産融資に関する確定評価手続きにおいても特別な規制はなく、それぞれの銀行の内部のルールに従って行われている。 |

不動産鑑定士等のローテーション

| 同上、通常、外部鑑定人についてローテーションを要請することはない。 | 同上、通常、外部鑑定人についてローテーションを要請することはない。 | 同上、通常、外部鑑定人についてローテーションを要請することはない。 | 同上、通常、外部鑑定人についてローテーションを要請することはない。 | 同上、通常、外部鑑定人についてローテーションを要請することはない。 |

その他

| 1. Uniform Standards of Professional Appraisal Practice (USPAP)における倫理規定 (Ethics Rule)の遵守 2. Appraisal Management Companyの活用 | 評価人は評価の実施またはその予定者、評価資産、不動産を保有する者のすべての関係者との間に、過去、現在、将来において利益関係がないとし、この場合の「過去の関係」とは、通常は依頼日あるいは契約日から起算して過去24ヶ月以内における関係をいう。 | 特にない | 特にない | 特にない |
II. 不動産鑑定評価に係る資格制度及び資格取得後の研修制度

1. アメリカ

（1）ライセンス制度
アメリカでは、金融機関改革/再建/強化法（FIRREA: Financial Institutions Reform, Recovery, and Enforcement Act of 1989）第11章（Title XI）に基づき、金融機関に対して不動産の鑑定評価を提供する場合には、当該鑑定人が業務に従事する州のライセンスを取得しなければならないことになっている。このライセンス制度については、関係機関が共同で設立した非営利の民間機関である不動産鑑定財団（TAF: The Appraisal Foundation）がライセンスの種類及び取得要件を定めており、この規定に従って各州政府がライセンス制度を設定・運用している。

ライセンスには、鑑定評価することができる資産の範囲に応じて、住宅不動産鑑定人（LR: Licensed Residential Real Property Appraiser）、公認住宅不動産鑑定人（CR: Certified Residential Real Property Appraiser）、公認総合不動産鑑定人（CG: Certified General Real Property Appraiser）の3種類が設けられている。

住宅不動産鑑定人は、複雑でない1から4世帯までの住宅物件で取引価格が100万米ドルを超えないもの、および住宅物件以外で取引価格が25万米ドルまでのものを鑑定評価できる。公認住宅不動産鑑定人は、住宅不動産鑑定人よりも範囲が広がり、複雑なものを含む1から4世帯までの住宅物件（取引価格による制限はない）、および住宅物件以外で取引価格が25万米ドルまでのものの鑑定評価が認められている。公認総合不動産鑑定人については、特に制限なく不動産の鑑定評価を行うことが可能である。ライセンスごとのライセンス取得の要件は次のとおりである。

【住宅不動産鑑定人】
a. 必須科目を含む150時間の講座を受講すること
b. 2,000時間の鑑定評価の実務経験があること（ただし、従事期間が12ヶ月以上）
c. 大学レベルの30時間以上の教育を受けていること
d. 不動産鑑定財団の鑑定人資格委員会（AQB: Appraiser Qualification Board）により認定された統一試験に合格すること

【公認住宅不動産鑑定人】
a. 必須科目を含む200時間の講座を受講すること
b. 2,500時間の鑑定評価の実務経験があること（ただし、従事期間が24ヶ月以上）
c. 学士以上の学位を有すること
d. 不動産鑑定財団の鑑定人資格委員会（AQB: Appraiser Qualification Board）により認定された統一試験に合格すること
【公認総合不動産鑑定人】
a. 必須科目を含む 300 時間の講座を受講すること
b. 3,000 時間の鑑定評価の実務経験があること（ただし、1,500 時間は住宅以外の実務経験で、従事期間が 30 ケ月以上であることが必要）
c. 学士以上の学位を有すること
d. 不動産鑑定財団の鑑定人資格委員会（AQB: Appraiser Qualification Board）により認定された統一試験に合格すること

全米における不動産鑑定評価に係る州のランセンス保有者数は、2015 年 1 月 28 日時点で、住宅不動産鑑定人が 9,461 人、公認住宅不動産鑑定人が 51,440 人、公認総合不動産鑑定人が 38,848 人となっている。

また、いずれのライセンスについても 2 年ごと更新が必要で、ライセンスを更新するためには年間 14 時間の継続教育（Continuing Education）を受けなければならず、そのほかに 2 年ごとに 7 時間の鑑定実務統一基準（USPAP: Uniform Standards of Professional Appraisal Practice）の最新コースを受講する必要がある。

（2）会員資格制度


米国不動産鑑定協会の会員資格には、全ての不動産の評価が対象である MAI と住宅の評価専門家の資格である SRA などがある。MAI と SRA の会員資格の取得・入会に当たっては、次の要件を満たすことが必要である。

【MAI】
a. 鑑定実務統一基準及び倫理規定に係る講習を受けていること
b. 学士以上の学位を有すること
c. 次のコースを受講し、試験に合格していること
   ・鑑定評価書の作成及びケーススタディ
   ・収益還元法（上級）
   ・市場分析（上級）
   ・計量分析の理論とケーススタディ（上級）
d. 総合試験に合格していること
e. 4,500 時間の専門的な実務経験を有すること
f. 必須知識に関する実演レポートを提出していること

[SRA]

a. 鑑定実務統一基準及び倫理規定に係る講習を受けていること
b. 学士以上の学位を有すること
c. 次のコースを受講し、試験に合格していること
   
   ・住宅地の評価と原価法
   ・住宅に係る取引事例比較法と収益還元法
   ・住宅鑑定評価書の作成とケーススタディ
   ・住宅市場分析または一般市場分析
   ・住宅評価ソフトとケーススタディ（上級）
d. 4,500 時間の専門的な実務経験を有すること
e. 必須知識に関する実演レポートを提出していること

米国不動産鑑定協会の会員資格には更新等の制度はないが、5 年間に 500 単位の継続教育（Continuing Education）を受ける必要があり、そこには受講が義務づけられている不動産鑑定実務統一基準及び倫理規定の講座も含まれている。継続教育は集合研修のほか、オンラインセミナー、Web を利用した双方向講座などが同協会によって提供されている。また、受講状況についてのモニタリング等を行う特別な仕組みはないが、不動産鑑定評価書に添付する同協会の会員資格を表明する書面のなかで、継続教育プログラムを修了していない旨を記載しなければならない。
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<td>資格・称号</td>
<td>Licensed Residential Real Property Appraiser 住宅不動産鑑定人</td>
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<tr>
<td>登録機関</td>
<td>各州政府（非州地域はテリトリーや行政機関）</td>
</tr>
<tr>
<td>根拠法令</td>
<td>金融機関改革／再建／強化法 第 11 章 Title XI of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)</td>
</tr>
<tr>
<td>登録の要件</td>
<td>1. 必須科目を含む 150 時間の授業受講 2. 2,000 時間の鑑定実務経験（但し、12 カ月以上） 3. 大学における 30 単位以上の教育 4. AQB により認定された統一試験の受験・合格</td>
</tr>
<tr>
<td>登録の更新</td>
<td>登録後、2 年毎に更新が必要。</td>
</tr>
<tr>
<td>登録者数</td>
<td>2015 年 1 月 28 日時点で 9,461 名。</td>
</tr>
<tr>
<td>継続教育</td>
<td>1. 年間 14 時間の継続教育 2. 2 年ごとに、7 時間の USPAP 最新コースを受講 これらを満たしていないと資格が更新できない（一定の猶予期間はあり）</td>
</tr>
<tr>
<td>項 目</td>
<td>内 容</td>
</tr>
<tr>
<td>-------------</td>
<td>-------</td>
</tr>
</tbody>
</table>
| 資格・称号   | Certified Residential Real Property Appraiser  
公認住宅不動産鑑定人 |
| 登録機関     | 各州政府（非州地域はテリトリー行政機関） |
| 根拠法令     | 金融機関改革/再建/強化法 第 11 章  
Title XI of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) |
| 登録の要件   | 1. 必須科目を含む 200 時間の授業受講  
2. 2,500 時間の鑑定実務経験（但し、24 ヵ月以上）  
3. 学士以上の学歴  
4. AQB により認定された統一試験の受験・合格 |
| 登録の更新   | 会員資格の更新制度はないが、5 年毎に継続教育の実施状況を報告することが必要。 |
| 登録者数     | 2015 年 1 月 28 日時点で 51,440 名。 |
| 継続教育     | 1. 年間 14 時間の継続教育  
2. 2 年ごとに、7 時間の USPAP 最新コースを受講  
これらを満たしていないと資格が更新できない（一定の猶予期間はあり） |
<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>Certified General Real Property Appraiser 公認総合不動産鑑定人</td>
</tr>
<tr>
<td>登録機関</td>
<td>各州政府（非州地域はテリトリーや行政機関）</td>
</tr>
</tbody>
</table>
| 根拠法令     | 金融機関改革/再建/強化法 第 11 章  
Title XI of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) |
| 登録の要件   | 1. 必須科目を含む 300 時間の授業受講  
2. 3,000 時間の鑑定実務経験 (1,500 時間は住宅以外、30 ヶ月以上)  
3. 学士以上の学歴  
4. AQB により認定された統一試験の受験・合格 |
| 登録の更新   | －                                                                     |
| 登録者数     | 2015 年 1 月 28 日時点で 38,848 名。                                   |
| 継続教育     | 1. 年間 14 時間の継続教育  
2. 2 年ごとに、7 時間の USPAP 最新コースを受講  
これらを満たしていなかった資格が更新できない（一定の猶予期間あり） |
<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>MAI</td>
</tr>
<tr>
<td>登録機関</td>
<td>Appraisal Institute</td>
</tr>
<tr>
<td></td>
<td>米国不動産鑑定協会</td>
</tr>
<tr>
<td>根拠法令</td>
<td>不動産鑑定評価資格登録基準</td>
</tr>
<tr>
<td></td>
<td>The Real Property Appraiser Qualification Criteria</td>
</tr>
<tr>
<td>登録の要件</td>
<td>• USPAP および倫理規定講座の受講終了</td>
</tr>
<tr>
<td></td>
<td>• 学士以上の学歴</td>
</tr>
<tr>
<td></td>
<td>• 以下のコースを受講・試験合格</td>
</tr>
<tr>
<td></td>
<td>General Appraiser Report Writing &amp; Case Studies</td>
</tr>
<tr>
<td></td>
<td>Advanced Income Capitalization</td>
</tr>
<tr>
<td></td>
<td>Advance Market Analysis &amp; HBU</td>
</tr>
<tr>
<td></td>
<td>Advanced Concepts &amp; Case Studies</td>
</tr>
<tr>
<td></td>
<td>Quantitative Analysis</td>
</tr>
<tr>
<td></td>
<td>• 総合試験を受験・合格</td>
</tr>
<tr>
<td></td>
<td>• 4,500 時間の専門実務経験</td>
</tr>
<tr>
<td></td>
<td>• 必須知識の実演（レポート提出等）</td>
</tr>
<tr>
<td></td>
<td>• 登録手続き</td>
</tr>
<tr>
<td>登録の更新</td>
<td>一</td>
</tr>
<tr>
<td>登録者数</td>
<td>2015 年 1 月 28 日時点で 8,597 名。</td>
</tr>
</tbody>
</table>
| 継続教育   | • 5 年間に継続教育に関する 500 ポイント以上を獲得（USPAP およびビジネス慣習及
|           | び倫理規定の講座受講が含まれる）                                       |
|           | • 獲得できていない場合は、その旨を自身の資格表明において記載しなければ
|           | られない。("Continuing Education Program Not Completed"：継続教育
|           | プログラムを修了していない)                                           |


<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>SRA、SPRA</td>
</tr>
</tbody>
</table>
| 登録機関 | Appraisal Institute  
 米国不動産鑑定協会 |
| 根拠法令 | 不動産鑑定評価資格登録基準  
 The Real Property Appraiser Qualification Criteria |
| 登録の要件 | ・ USPAP および倫理規定講座の受講終了  
 ・ 学士以上の学歴  
 ・ 以下のコースを受講・試験合格  
   Residential Appraiser Site Valuation and Cost Approach  
   Residential Sales Comparison and Income Approaches  
   Residential Report Writing and Case Studies  
   Residential Market Analysis and HBU または General Appraiser Market Analysis and HBU  
   Real Estate Finance, Statistics, Valuation Modeling  
   Advanced Residential Applications and Case Studies  
 ・ 3,000 時間の住宅評価実務経験  
 ・ 必須知識の実演（レポート提出等）  
 ・ 登録手続 |
| 登録の更新 | - |
| 登録者数 | 2015年1月28日時点で3,543名。 |
| 継続教育 | ・ 5年間に継続教育に関する500ポイント以上を獲得（USPAPおよびビジネス慣習&倫理規定の講座受講が含まれる）  
 ・ 獲得できていない場合は、その旨を自身の資格表明において記載しなければならない。（“Continuing Education Program Not Completed”：継続教育プログラムを修了していない） |
2. イギリス

イギリスにおいては、不動産鑑定評価に係る公的な登録またはライセンスの制度はなく、英国王立チャータード・サーベイヤーズ協会（RICS: Royal Institute of Chartered Surveyors）の会員資格があるのみである。同協会は1868年にロンドンにおいて前身となる組織が設立された伝統と権威のある団体で、イギリスだけでなく、欧州、アジア、アフリカなどにも支部を置き国際的な活動を展開している。

英国王立チャータード・サーベイヤーズ協会の会員資格には、メンバー会員（MRICS）と上級資格であるフェロー会員（FRICS）等があるが、メンバー会員として入会するためには、次の要件を満たす必要がある。

a. 関連分野における学士レベルの学位または英国王立チャータード・サーベイヤーズ協会が指定する専門分野の単位を取得していること
b. 一定期間の関連分野における実務経験を有すること（例えば、関連分野における学士レベルの学位を取得している場合は学位取得後5年間）
c. 同協会の行動規範への同意
d. 一定時間のトレーニング・コース及び研修プログラム（Professional Development）を受講していること（例えば、関連分野における学士レベルの学位を取得している場合は専門適正審査前の12カ月で最低20時間の研修プログラムの受講）
ed. 専門適正審査（APC: Assessment Professional Competence）に合格すること

この専門適正審査では、受講書類審査と口頭試問が実施され、書類審査では、関連分野の実務経験についての報告書及び案件一覧、研修受講履歴、ケーススタディを提出する。口頭試問は60分にわたる面接試験で、そのうち10分は書類審査で提出されたケーススタディについての質疑応答が行われる。なお、この一般的な入会手続きのほか、経験豊富なシニアの専門家については上記の規定を満たさずに会員資格を取得するルートも用意されている。

英国王立チャータード・サーベイヤーズ協会には専門区分に応じて、美術及び骨董、建物施工管理、建物調査、商業用不動産、建物積算及び建設、紛争解決、環境、ファシリティ・マネジメント、地理情報、機械及び事業用資産、管理コンサルティング、天然資源及び廃棄物管理、計画及び開発、プロジェクト管理、居住用不動産、農地林地、資産評価の17のグループがある。このうち資産評価のグループに属する会員はイギリス国内で約13,000人、世界全体で約30,000人となっている。

会員資格に更新等の制度はなく、会員には年間20時間以上の継続研修（Continuing Professional Development）の受講が求められている。このうち少なくとも10時間は同協会が提供する公式なコースを受講する必要がある。公式なコースとしては、セミナ
一やカンファレンス、通信教育、Web によるトレーニングコースなどが同協会から提供されている。また、3年毎改定される実務基準と倫理規定については十分に理解していなければならず、そのための取り組みは公式なコースとしてカウントできることになっている。

なお、RICS では 2013 年 1月 1日より年間（1月から12月まで）20 単位の継続教育が義務付けられ、20 単位の継続教育ご登録がない場合、RICS から警告のレターが送られるとともに懲戒記録として 10年間データが保管されることになっている。この10年間の間に再度20単位の登録がない場合には罰金が課せられる（罰金は 150 ポンド）。
登録・資格制度のまとめ

<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>MRICS（メンバー会員）、FRICS（フェロー会員）FRICSはMRICSの上級会員資格である。</td>
</tr>
<tr>
<td>登録機構</td>
<td>RICS:Royal Institute of Chartered Surveyors英国王立チャータード・サーベイヤーズ協会</td>
</tr>
<tr>
<td>根拠法令</td>
<td>公的な登録またはライセンスの制度はない。</td>
</tr>
<tr>
<td>登録の要件</td>
<td>メンバー会員として入会するためには、次の要件を満たす必要がある。</td>
</tr>
<tr>
<td></td>
<td>a. 関連分野における学士レベルの学位または英国王立チャータード・サーベイヤーズ協会が指定する専門分野の単位を取得していること</td>
</tr>
<tr>
<td></td>
<td>b. 一定期間の関連分野における実務経験を有すること（例えば、関連分野における学士レベルの学位を取得している場合は学位取得後5年間）</td>
</tr>
<tr>
<td></td>
<td>c. 同協会の行動規範への同意。</td>
</tr>
<tr>
<td></td>
<td>d. 一定時間のトレーニング・コース及び研修プログラム（Professional Development）を受講していること（例えば、関連分野における学士レベルの学位を取得している場合は専門適正審査前の12カ月で最低20時間の研修プログラムの受講）</td>
</tr>
<tr>
<td></td>
<td>d. 専門適正審査（APC:Assessment Professional Competence）に合格すること。</td>
</tr>
<tr>
<td>登録の更新</td>
<td>会員資格登録については更新等の制度はない。</td>
</tr>
<tr>
<td>登録者数</td>
<td>資産評価のグループに属する会員はイギリス国内で約13,000名、世界全体で約30,000名。</td>
</tr>
<tr>
<td>継続教育</td>
<td>会員には年間20時間以上の継続研修（Continuing Professional Development）の受講が求められている。このうち少なくとも10時間は同協会が提供する公式なコースを受講する必要がある。</td>
</tr>
</tbody>
</table>
3. オーストラリア

（１）登録制度

オーストラリアにおいては、不動産鑑定評価に関して、国としての登録等の制度はなく、全6州のうちクイーンズランド州、ニュー・サウス・ウェールズ州及び西オーストラリア州の3州には州独自の登録制度がある。

例えば、クイーンズランド州（州都メルボルン）では、1992年評価人登録法（Valuers Registration Act 1992）により評価人登録が制度化されている。クイーンズランド評価人登録委員会（Valuers Registration Board of Queensland）がこの制度を運営しており、評価人として登録し登録評価人（Registered Valuers）となるためには次の要件を満たすことが必要である。なお、評価人登録のための具体的な手続については、2013年評価人登録規則（Valuers Registration Regulation 2013）に定められている。

a. 良好な評判と性格
b. クイーンズランド評価人登録委員会が規定する資格（オーストラリア不動産協会（API: Australian Property Institute）のアソシエート会員（AAPI）やフェロー会員（FAP）などの会員資格等）を保有するか、または、同委員会が承認する試験に合格すること

クイーンズランド州の登録評価人数は2015年2月18日時点で1,644人で、毎年5月に登録の更新が義務づけられている。更新に際して、継続研修（Continuing Professional Development）の実施時間を届け出る必要があり、更新に継続研修の時間数は1年間で10時間以上となっている。

また、ニュー・サウス・ウェールズ州においても2003年評価人法（Valuers Act 2003）により評価人の登録が制度化されている。登録要件はクイーンズランド州とほぼ同様であるが、継続研修（Professional Development）の制度はない。登録の有効期間は3年であり、更新が必要である。

また、西オーストラリア州においても、消費者保護の観点から各種業務に登録制が採用されており、1978年土地評価人登録法（Land Valuers Licencing Act 1978）により土地評価人（Land Valuer）についても登録が必要となっている。同州もニュー・サウス・ウェールズ州と同様、継続研修（Professional Development）の制度はなく、3年毎に更新が必要となっている。
（2）会員資格制度
オーストラリア不動産協会はオーストラリアを代表する不動産専門家団体である。同協会の会員資格にはアソシエート会員とより上級のフェロー会員があるが、アソシエート会員の資格の取得・入会に当たっては、次の要件を満たすことが必要である。

a. 良好な評判と性格
b. オーストラリア不動産協会の全国評議会（National Council）が実施する試験に合格すること
c. 同協会が認定する大学卒業資格などの高等教育を修了していること
d. 一定の実務経験を有すること（例えば、同協会が認定する大学卒業資格を有する場合、申請から4年以内に2年以上の実務経験が必要）

オーストラリア不動産協会の会員の専門区分は、アセット・マネジメント、事業評価、補償・収用、教育、専門家証言（Expert Witness）、政府、法律、プラント及び機械評価、不動産コンサルティング、不動産開発、不動産金融、プロパティ・マネジメント及びファシリティ・マネジメント、不動産調査研究、不動産評価、不動産仲介、税務評価の計16であり、会員数は2015年2月15日時点で8,600人以上となっている。会員資格の更新等の制度はない。

また、オーストラリア不動産協会では、上記のような会員資格のほかに、公認評価人（CPV：Certified Practising Valuer）の称号を付与している。この称号付与のための要件は次のとおりである。

a. オーストラリア不動産協会の全国評議会で認定された学位を有すること
b. 申請までの4年間に2年以上の実務経験を有すること
c. 評価に係る理論と実務に関する面接試験に合格すること

オーストラリア不動産協会の会員には1年間に20時間以上の継続研修（Continuing Professional Development）が義務づけられており、このうち少なくとも10時間は資産に関するテーマまたは同協会の活動に充てることが求められている。また、専門分野が資産に関する評価に属する会員については、同協会認定のリスク・マネジメント講座を履修する必要がある。会員による継続教育の実施状況をチェックするためのモニタリングの制度が用意されており、毎年会員の15%以上を対象に実施状況が監査されている。
### 登録・資格制度のまとめ

<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>Registered Valuer</td>
</tr>
<tr>
<td></td>
<td>登録評価人</td>
</tr>
<tr>
<td>登録機関</td>
<td>State of Queensland</td>
</tr>
<tr>
<td></td>
<td>クイーンズランド州</td>
</tr>
<tr>
<td>根拠法令</td>
<td>1) Valuers Registration Act 1992</td>
</tr>
<tr>
<td></td>
<td>1992年評価人登録法</td>
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<td></td>
<td>2) Valuers Registration Regulation 2003</td>
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<tr>
<td></td>
<td>2003年評価人登録規制</td>
</tr>
<tr>
<td>登録の要件</td>
<td>登録に当たっては次の要件を満たす必要がある。</td>
</tr>
<tr>
<td></td>
<td>a. 良好な評判と性格</td>
</tr>
<tr>
<td></td>
<td>b. クイーンズランド評価人登録委員会が規定する資格（オーストラリア不動産協会（API: Australian Property Institute）のアソシエート会員（AAPI）やフェロー会員（FAPI）などの会員資格等）を保有するか、または、同委員会が承認する試験に合格すること</td>
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<tr>
<td></td>
<td>c. クイーンズランド州の土地を評価するために必要なコースワーク（大学等が提供する州公認の学位・単位）の受講を始めてから3年以上の実務経験を有すること</td>
</tr>
<tr>
<td>登録の更新</td>
<td>登録の有効期間は1年（7月1日から1年間）で、毎年5月に登録の更新が必要である。（更新申請書類の提出と会費の支払のみ）</td>
</tr>
<tr>
<td>登録者数</td>
<td>2015年2月16日時点で州のウェブサイトに公表されている登録鑑定人として1,644名</td>
</tr>
<tr>
<td>継続教育</td>
<td>1年間で10時間以上の継続研修が必要</td>
</tr>
<tr>
<td>項目</td>
<td>内容</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>資格・称号</td>
<td>Registered Valuer  登録評価人</td>
</tr>
<tr>
<td>登録機関</td>
<td>State of New South Wales  ニュー・サウス・ウェールズ州</td>
</tr>
<tr>
<td>根拠法令</td>
<td>The Valuers Act 2003  2003年評価人法</td>
</tr>
<tr>
<td>登録の要件</td>
<td>下記の登録要件のうち、1つ又は複数を満たすこと</td>
</tr>
<tr>
<td></td>
<td>a. 州委員会が指定する一定のコースワークの修了</td>
</tr>
<tr>
<td></td>
<td>b. 一定期間の実務経験</td>
</tr>
<tr>
<td></td>
<td>c. 一定水準の能力を有すること</td>
</tr>
<tr>
<td></td>
<td>d. 旧法（Valuers Registration Act 1975）又は関連法で登録済み</td>
</tr>
<tr>
<td>登録の更新</td>
<td>登録後、3年以内に更新申請が必要。（更新申請書類の提出と会費の支払のみ）</td>
</tr>
<tr>
<td>登録者数</td>
<td>非開示</td>
</tr>
<tr>
<td>継続教育</td>
<td>継続研修の制度はない。</td>
</tr>
<tr>
<td>項  目</td>
<td>内</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
</tbody>
</table>
| 資格・称号 | Land Valuer
|          | 土地評価人 |
| 登録機関  | State of Western Australia
|          | 西オーストラリア州 |
| 根拠法令  | The Land Valuers Licensing Act 1978
|          | 1978年土地評価人登録法 |

**登録の要件**
登録申請には、次の3つのうちの1つが必要
a. APIのLife Fellow, Fellow, Associate member かつCertified Practising Valuerの称号を有すること
b. 州のLand Valuers Licensing Board（土地評価資格委員会）に規定されている学位、認可証、その他の受賞経験があり、実務経験（直近2年以上かつ10年以内に4年以上）
c. 直近5年以内に、同資格を保有したことがある。

**登録の更新**
登録後、3年以内に、更新申請書に犯罪履歴の有無などを申告のうえ、更新申請が必要。 （更新申請書類の提出と会費の支払いのみ）

**登録者数**
非開示

**継続教育**
継続研修の制度はない。
<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
</table>
| 資格・称号 | Associate of Australian Property Institute (AAPI)  
API準会員  
Fellow of Australian Property Institute (FAPI)  
API上級会員 |
| 登録機関 | Australian Property Institute (API)  
オーストラリア不動産協会 |
| 根拠法令 | Associations Incorporations Act 1985 of South Australia  
南オーストラリアの1985年社団法人法 |
| 登録の要件 | 会員資格の要件に関する概要は、以下のとおり。  
1）AAPI  
a. 良好な性格と評判  
b. APIのNational Council（連邦委員会）が実施する試験の合格  
c. APIが認定する大学卒業資格ほかの高等教育の修了  
d. 実務経験。なお、実務経験の年数は、API認定する大学卒業資格を有する場合、申請から4年以内に2年以上の認定された実務経験のほか、高等教育の程度により、長短がある。  
e. 面接試験、実務試験、その他不動産に関する知識を問う試験などに合格  
f. MRICS又はFRICSで、10年以上の会員資格及び実務経験がある場合にRICSからのダイレクトエントリーが可能 |
| 2）FAPI |  
AAPIを取得した後に、以下の要件などを満たす会員に付与される。  
a. 申請までにAAPIとして10年以上の経験  
b. 申請までにフルタイムで不動産専門家として合計10年以上の実務経験  
c. 申請者が個人的に面識のある3人以上のFAPIからの推薦状  
d. 良好な性格と評判があるとDivisional Council（部門委員会）から認定されること  
e. 専門分野での確立した名声、高度な倫理性、不動産の専門業界内で認知されていること |
<p>| 3）CPV | Certified Practising Valuer (CPV)の称号をAPIへ申請するための要件は、以下のとおり。 |</p>
<table>
<thead>
<tr>
<th>要件</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. API の National Council（国家委員会）に認定された学位を有すること</td>
<td></td>
</tr>
<tr>
<td>b. 申請までの 4 年間に、2 年以上の認定された実務経験を有すること</td>
<td></td>
</tr>
<tr>
<td>c. 評価理論と実務に関するインタビューでの合格</td>
<td></td>
</tr>
<tr>
<td>登録の更新</td>
<td>登録後、1 年毎の更新が必要。</td>
</tr>
<tr>
<td>登録者数</td>
<td>2015 年 2 月 15 日時点、16 区分の専門分野全体で API 会員は 8,600 名うち、不動産鑑定評価に該当する Property Valuation での登録者数は 665名（重複登録者を含む）</td>
</tr>
<tr>
<td>継続教育</td>
<td>1 月 1 日からの 1 年間で 20 時間以上の継続教育（CPD）が必要。最低 10 時間は不動産に関するテーマ及び協会活動に充てる必要がある。最長 10 時間分は、追加的または新しい職務上の活動を行うことでの職場での学習、個人で計画した研究に充てられる。オーストラリアの不動産を評価する会員は、協会認定のリスク・マネジメント講座を履修する必要がある。少なくとも各地域で 15%の会員が監査から継続教育の実施状況を遵守しているかモニタリングされる。</td>
</tr>
</tbody>
</table>
4. シンガポール

（1）ライセンス制度

シンガポールにおいては、不動産の鑑定評価を行う者は鑑定人法(Appraises Act)に従って内国歳入庁(Inland Revenue Authority)のランセンスを受けなければならない。このライセンスを受けずに不動産の鑑定評価を行った場合は、罰金等のペナルティが科せられる。

ライセンスを受けて認可鑑定人(Licensed Appraiser)になるためには、次の要件を満たす必要がある。

a. シンガポール国立大学(National University of Singapore)の不動産学部の学位、または同等の学位を有すること
b. シンガポール・サーベイヤーズ及び評価人協会(SISV: Singapore Institute of Surveyors and Valuers)のメンバー会員(MSISV)またはフェロー会員(FSISV)であること
c. 認可鑑定人のもとで1年以上の実務経験を有すること

このようにシンガポールでは不動産の鑑定人は国家資格となっているが、シンガポール・サーベイヤーズ及び評価人協会のメンバー会員またはフェロー会員であることが必須条件となっているように、実務面においては同協会が大きな役割を担っている。ライセンスは1年毎の更新制となっており、2015年2月6日時点の認可鑑定人数は546名である。

（2）会員資格制度

上記のとおり、シンガポール・サーベイヤーズ及び評価人協会の会員でなければ認可鑑定人のライセンスが得られないで、同協会の会員資格の取得がライセンスへの第一関門となっている。

同協会は、1984年にシンガポール・サーベイヤーズ協会(Singapore Institute of Surveyors)とシンガポール評価人協会(Singapore Institute of Valuers)が合併してきた団体で、対象とする専門分野の進歩発展、専門職業家全体の利益増進及び公共の利益のための有用性を維持・改善、実務基準の改善と規制などを目的として活動している。

シンガポール・サーベイヤーズ及び評価人協会の会員資格にはメンバー会員と上級のフェロー会員があるが、この会員資格を取得・入会するためには、次の要件を満たすことが必要である。
a. 21歳以上であること
b. 5年以上の高等教育を受け、そのうち2年はシンガポールの大学で鑑定評価等の専門分野を研究・修了していること。または、シンガポール・サーベイヤーズ及び評価人協会が実施する資格試験に合格していること。
c. 面接試験に合格すること

シンガポール・サーベイヤーズ及び評価人協会は、メンバー会員及びフェロー会員は、3年間で60時間以上、かつ、各年20時間以上の継続研修（Continuing Professional Development）の受講を課している。
<table>
<thead>
<tr>
<th>項 目</th>
<th>内 容</th>
</tr>
</thead>
</table>
| 資格・称号     | Licensed Appraiser  
認可鑑定人                                        |
| 登録機関       | Inland Revenue Authority / Comptroller of Property Tax  
内国歳入庁 （固定資産税局長）                     |
| 根拠法令       | Appraisers Act  
鑑定人法                                           |
| 登録の要件     | ライセンスを受けて認可鑑定人（Licensed Appraiser）になるためには、次の要件を満たす必要がある。                          |
|               | a．シンガポール国立大学の不動産学部の学位、または同等の学位を有すること |
|               | b．シンガポール・サーベイヤーズ及び評価人協会のメンバー会員（MSISV）またはフェロー会員（FSISV）であること |
|               | c．認可鑑定人のもとで１年以上の実務経験を有すること                   |
| 登録の更新     | 登録の有効期間は１年で、毎年登録の更新が必要である。
更新時記載事項：裁判所から有罪判決を受けたか否か・破産者か否か。 |
| 登録者数       | 546 名（2015年2月）                                                |
| 継続教育       | 継続教育は更新に当たって特に要件とはなっていない。                   |
5. 香港

(1) 登録制度

香港において不動産鑑定評価を行う場合にはサーベイヤーズ登録委員会（Surveyors Registration Board）に登録しなければならず、この登録に当たっては、サーベイヤーズ登録条例（Surveyors Registration Ordinance）により、次の要件を満たすことが必要である。

a. 香港サーベイヤーズ協会（HKIS: Hong Kong Institute of Surveyors）のメンバー会員（MHKIS）またはフェロー会員（FHKIS）、またはこれと同等の入会条件を有する団体の正会員等であること
b. 登録申請の前に、香港において1年以上の専門分野での実務経験を有すること
c. 香港に在住していること
d. サーベイヤーズ登録条例に基づく調査委員会による調査または懲戒手続の対象者でないこと
e. 該当する専門分野において実務に就いている旨を書面で宣誓していること
f. その他、専門家として登録するにふさわしい者であること

この登録後に、登録専門サーベイヤー（Registrated Professional Surveyor）となる（登録を定期的に更新するような制度はない）。企業や政府の資産の評価については、依頼者より登録サーベイヤーであることが求められるが、それ以外については必ずしも登録サーベイヤーでなくてもよく、単に香港サーベイヤーズ協会のメンバー会員等でも評価を行うことが可能である。

サーベイヤーズ登録委員会は、消費者の利益保護を目的とするサーベイヤーズ登録条例に基づいて設置された公的機関であり、サーベイヤーの登録制度の運営を担っている。ただし、政府からの財政的な支援は受けておらず、登録料及び会費等の収入で運営されている。

サーベイヤー登録における専門区分としては、建物調査（Building Survey）、総合実務（General Practice）、土地調査（Land Survey）、計画・開発（Planning and Development）、プロパティ及びファシリティ・マネジメント（Property and Facility Management）、建物積算（Quantity Survey）の6つがあり、不動産鑑定評価はこのうち総合実務に区分される。専門区分を総合実務としている登録者数は、2012年末時点で729名、他の専門区分を含めたサーベイヤー登録者全体では2,853名となっている。
この委員会のメンバーの大半は香港サーベイヤーズ協会のメンバーから選任される
ことがになっているなど、サーベイヤーズ登録委員会と香港サーベイヤーズ協会が役割分
担しながら不動産鑑定評価に係る諸制度を支えている。

なお、香港サーベイヤーズ協会は、香港サーベイヤーズ協会条例（Hong Kong Institute
of Surveyors Ordinance）に基づいて設置されているサーベイヤーの専門家団体である。
この団体は、専門的なサービスやその成果に関する実務基準の設定、倫理規定の策定、
入会要件の決定、専門性向上のための継続的なスキルアップに係る会員支援などを行っ
ている。

（２）資格制度（会員資格）

香港サーベイヤーズ協会の会員資格が、実質的に不動産鑑定評価に係る資格となって
おり、利用者にも広く認知されている。この会員資格には、スキル及び経験の多寡等に
応じていくつかの区分が設けられているが、正会員という位置づけとなっている会員資
格は前述のメンバー会員（MHKIS）及びフェロー会員（FHKIS）である。フェロー会員は
メンバー会員の上級資格で、経験豊かな会員向けの区分となっている。このほかに準会
員や補助者等の会員区分がある。

香港サーベイヤーズ協会の実務修習（Assessment of Professional Competence）を
修了すれば、正会員（メンバー会員）に登録申請が可能である（このほかに、特に経験
等を有する有識者については、実務修習を経ずして会員資格が与えられるルートが用意
されている）。実務修習のプロセスは次のとおりである。

準備段階 実務修習の申請
実務修習の申請には2年以上の実務経験が必要。

第一段階 実務修習パート1
実務修習を申請してから9カ月以上の実務従事した後に実務修習パート1の申請が可能。実務修習パート1では40時間の研修プログラムを受講。
その後、専門分野別の試験（総合実務の場合は、鑑定評価、仲介及びアセットマネジメント、関連法規、都市土地経済学の4つ）

第二段階 実務修習パート2
実務修習パート1に合格し、かつ、実務修習を申請してから21カ月以上の実務従事した後に実務修習パート2の申請が可能。実務修習パート2では実務に関するプレゼンテーションと口頭試問を実施。これに合格すれば、正会員の登録申請ができる。
香港サーベイヤーズ協会のメンバー会員及びフェロー会員の数は、2014年12月9日時点で総合実務への登録者が1,866名、その他の専門分野を含む全体で6,092名となっている（専門区分は登録専門サーベイヤーと同じ）。

なお、会員登録については、定期的な更新などの仕組みは設けられていないが、3年毎に継続研修の単位が充足しているかどうかがチェックされる。

（3）継続研修

登録資格登録に関連する継続研修については、登録専門サーベイヤーに対しては特に求められていないが、香港サーベイヤーズ協会のメンバー会員及びフェロー会員に対しては会員資格の維持のための継続研修が義務づけられている。

香港サーベイヤーズ協会のメンバー会員及びフェロー会員は、3年間で60時間以上、かつ、各年20時間以上の継続研修（Continuing Professional Development）の受講が必要である。また、次のように研修活動の区分ごとに時間数が設定されている。

第一区分:公式行事（香港サーベイヤーズ協会が実施するセミナー、カンファレンス、ワークショップ、研修講師）がこれに該当し、この区分については3年間で少なくとも15時間以上が必要である。

第二区分:香港サーベイヤーズ協会が提供する学習プログラム（通信学習やスタッフのトレーニング等を含む）がこれに該当し、この区分について3年間で上限が15時間となっている。

第三区分:団体及び社会・地域活動（委員会への参加、研究会への参加、実務修習審査員など）がこれに該当し、この区分についても3年間で上限が15時間となっている。

第四区分:自己啓発（音声やビデオ、あるいはマルチメディアでの学習、香港サーベイヤーズ協会の図書サービスの利用）がこれに該当し、この区分についても3年間で上限が15時間となっている。
### 登録・資格制度のまとめ

<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>資格・称号</td>
<td>Registered Professional Surveyor（RPS）&lt;br&gt;登録専門サーベイヤー</td>
</tr>
<tr>
<td>登録機関</td>
<td>Surveyors Registration Board（SRB）&lt;br&gt;サーベイヤーズ登録委員会</td>
</tr>
<tr>
<td>根拠法令</td>
<td>Surveyors Registration Ordinance&lt;br&gt;サーベイヤーズ登録条例</td>
</tr>
<tr>
<td>登録の要件</td>
<td>政府及び企業の資産を評価する場合には RPS に登録しなければならず、この登録に当たっては次の要件を満たす必要がある。&lt;br&gt;a. 香港サーベイヤーズ協会（HKIS：Hong Kong Institute of Surveyors）&lt;br&gt;のメンバー会員（MHKIS）またはフェロー会員（FHKIS）、またはこれと&lt;br&gt;同等の入会条件を有する団体の正会員等であること&lt;br&gt;b. 登録申請の前に、香港において 1 年以上の専門分野での実務経験を有すること&lt;br&gt;c. 香港に在住していること&lt;br&gt;d. サーベイヤーズ登録条例に基づく調査委員会による調査または懲戒手続の対象者でないこと&lt;br&gt;e. 該当する専門分野において実務に就いている旨を書面で宣誓していること&lt;br&gt;d. その他、専門家として登録するにふさわしい者であること</td>
</tr>
<tr>
<td>登録の更新</td>
<td>登録の有効期間は 1 年で、毎年登録の更新が必要である。</td>
</tr>
<tr>
<td>登録者数</td>
<td>2012 年末時点で、サーベイヤー全体で2,853名、このうち総合実務（不動産鑑定評価が該当する区分）で729名。</td>
</tr>
<tr>
<td>継続教育</td>
<td>RPS には継続教育等の仕組みはない。</td>
</tr>
<tr>
<td>項目</td>
<td>内容</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>資格・称号</td>
<td>MHKIS（メンバー会員）、FKHIS（フェロー会員）</td>
</tr>
<tr>
<td></td>
<td>FHKIS は MHKIS の上級会員資格である。</td>
</tr>
<tr>
<td>登録機関</td>
<td>Hong Kong Institute of Surveyors (HKIS)</td>
</tr>
<tr>
<td></td>
<td>香港サーベイヤーズ協会</td>
</tr>
<tr>
<td>根拠法令</td>
<td>Hong Kong Institute of Surveyors Ordinance</td>
</tr>
<tr>
<td></td>
<td>香港サーベイヤーズ協会条例</td>
</tr>
<tr>
<td>登録の要件</td>
<td>HKIS の MHKIS または FHKIS として会員登録するためには、2 年以上の実務</td>
</tr>
<tr>
<td></td>
<td>経験後に HKIS 所定の実務修習（Assessment of Professional Competence）</td>
</tr>
<tr>
<td></td>
<td>を修了する必要がある。</td>
</tr>
<tr>
<td></td>
<td>実務修習を終了するためには、一定の研修プログラムを受講するほか、実務</td>
</tr>
<tr>
<td></td>
<td>専門分野に関する筆記試験、プレゼンテーション及び口頭試問に合格しなければならない。</td>
</tr>
<tr>
<td>登録の更新</td>
<td>会員資格登録については更新等の制度はない。</td>
</tr>
<tr>
<td>登録者数</td>
<td>2014 年 12 月 9 日時点で、MHKIS 及び FHKIS 全体で 6,092 名、このうち総合</td>
</tr>
<tr>
<td></td>
<td>実務（不動産鑑定評価が該当する区分）が 1,866 名。</td>
</tr>
<tr>
<td>継続教育</td>
<td>MHKIS 及び FHKIS は、継続研修（Continuing Professional Development）</td>
</tr>
<tr>
<td></td>
<td>について、3 年間で 60 時間以上、かつ、各年 20 時間以上の受講が義務づけ</td>
</tr>
<tr>
<td></td>
<td>られている。</td>
</tr>
</tbody>
</table>
III 不動産鑑定士の独立性確保のための制度及び実務慣行

1. アメリカ
(1) 上場 REIT に係る不動産鑑定士の独立性確保のための制度及び実務慣行
アメリカの REIT 制度は、一般的な事業会社と税法上の取り扱いが異なるだけであるため、不動産鑑定士の独立性確保のための制度や特別な実務慣行はない。ただし、上場 REIT が不動産担保融資を受ける場合には、融資をする金融機関側が下記 (2) の規制を受けることとなる。

(2) 不動産融資に係る不動産鑑定士の独立性確保のための制度及び実務慣行
不動産融資に係る不動産鑑定士の独立性確保に関連する制度については、通貨監督局 (OCC: Office of the Comptroller of the Currency)、連邦準備制度理事会 (FRB: Board of Governors of the Federal Reserve System) 等の関係機関が策定した関係機関共通鑑定評価ガイドライン (Interagency Appraisal and Evaluation Guidelines) がある。
このガイドラインは、通貨監督局等の関係機関による鑑定評価に関する金融機関に対する規制や監督の内容を明確にすることを目的として策定されたもので、不動産及びその他の資産の評価における鑑定人の独立性の確保を図る内容が盛り込まれている。つまり、担保評価は信頼性を高める重要なプロセスであるため、融資を担当するスタッフからの影響を排除することが求められている。外部鑑定人の選定についても、十分な経験や専門性を有する鑑定人の選定、評価及びモニターフするための基準を金融機関が設定しなければならないことになっている。また、鑑定評価を行うに当たっては、鑑定実務統一基準に従うべきが規定されているが、スコープ・オブ・ワークに関しては自由に設定できるのではなく、評価目的に適合する内容とすることが求められている。

前述のとおり、金融機関に対して鑑定評価を提供する場合には、州のライセンスの取得が義務づけられているが、鑑定実務統一基準に従って鑑定評価を行うことも要請されている。この鑑定実務統一基準では倫理に関しても規定されており、高い倫理性を保持することで社会一般の信頼に応えることが要請され、例えば、鑑定人は個人的な利益にとらわれずに公平性、客観性、および独立性を保ちつつ鑑定評価を行わなければならない等が定められている。このように鑑定評価を行う鑑定人自身に直接に独立性の確保が求められている。

さらに、鑑定管理会社 (AMC: Appraisal Management Company) が依頼者である金融機関と鑑定人の間に入る場合がある。具体的には、鑑定管理会社が金融機関から委託を受けて、当該金融機関に代わって評価案件に関する鑑定人の選定・依頼を行い、鑑定人から提出された鑑定評価書の内容のチェック等を行った後に金融機関に鑑定評価書を納入する。金融機関が鑑定評価を取得するにあたって鑑定管理会社の利用は必須ではな
いが、金融機関との関係では鑑定人の独立性が確保できることから、特に住宅担保融資の場合には金融機関が鑑定管理会社を利用することが少なくない。現地の有識者等からは、鑑定管理会社のなかには低い報酬で金融機関から鑑定評価を受託して、より低廉な報酬で鑑定人に鑑定評価を委託するために鑑定評価の質の低下や経験豊かな鑑定人が依頼を引き受ける等の問題を生じさせているという指摘がある。ただし、大手の鑑定管理会社については、金融機関からの信頼を維持するために、安さとスピードのみをもって鑑定人を選定するのではなく、十分な能力・情報収集力を有する鑑定人が案件を受託するような仕組みを設けているところもあるようである（例えば、依頼先リストに登録されている鑑定人の鑑定評価の質、納期や質問対応等のサービスの良否等を格付けし、格付けの低い会社には依頼しないなど）。なお、鑑定管理会社は、2010年ドッド-フランク法（Dodd-Frank Wall Street Reform and Consumer Protection Act 2010）に基づき会社が所在する州への登録が義務づけられており、州当局の監督下にある。
<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
</table>
| 上場 REIT に関する制度・実務慣行 | 外部の独立した不動産鑑定士による鑑定評価の義務付け
|                     | 不動産鑑定士等のローテーション                                      |
|                     | その他                                                              |
| 不動産融資に関する制度・実務慣行 | 外部の独立した不動産鑑定士による鑑定評価の義務付け
|                     | 鑑定の独立性に関わる関連法律 FIRREA の Title XI (1989)
|                     | Interagency Appraisal and Evaluation Guidelines (December 2, 2010)  |
|                     | 不動産鑑定士等のローテーション                                      |
|                     | その他                                                              |
|                     | 1. Uniform Standards of Professional Appraisal Practice (USPAP) における Ethics Rule（倫理規定）の遵守
|                     | 2. Appraisal Management Company の活用                              |
2. イギリス

イギリスにおいては、上場 REIT と不動産融資に固有の不動産鑑定評価に関する規制はなく、鑑定人が鑑定評価を行う場合には英国王立チャータード・サーベイヤース協会が策定する RICS 評価基準（Red Book : RICS Valuation Professional Standards）に従う必要があり、RICS 評価基準のなかに鑑定人の独立性確保に関連する規定が盛り込まれている。例えば、評価基準 1.7「独立性と客観性」、評価基準 1.8「独立性に関する追加基準」、評価基準 1.9「広く一般に影響を与える、または第三者が利用する評価についての情報公開」、英国評価基準 3.1「住宅用不動産モーゲージローン（担保融資）のための評価」、追録 5「商業担保付融資のための評価」等である。

上場 REIT に関連するものは、評価基準 1.9「広く一般に影響を与える、または第三者が利用する評価についての情報公開」で、このなかで評価人の交代について、鑑定評価書に署名する鑑定人は、評価機関でどのような立場にあろうとも限られた年数のみ責任を負うべきで、具体的に何年で交代するのが良いかは評価の頻度にもよるが、7 年を超えない期間が望ましいとしている。また、評価の正確性と客観性を保つための適切な管理・監督を行う「評価委員会」を設置することにより、評価業務を適切に行うことが可能となるとしている（規模が小さな評価機関など評価委員会の設置が難しい場合には 7 年交代で定期的に鑑定人をローテーションする規則とするなどの対応が考えられる）。

金融機関に関しては、追録 5「商業担保付融資のための評価」において、金融機関は担保融資評価のための独立性に関する独自の基準を定めていることが多いが、独自の基準がない場合には、融資申込者、対象不動産、また融資を必要とする取引に関係するいかなる人間との間にも、過去、現在、将来にわたって利害関係がない評価人を選定すべきとされている。
【不動産鑑定士の独立性確保のための制度・実務慣行のまとめ】

<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>上場 REIT に関する制度・実務慣行</td>
<td>上場 REIT と不動産融資に係る不動産鑑定評価に関する規制はなく、鑑定人が鑑定評価を行う場合には英国王立チャータード・サーベイヤーズ協会が策定する RICS 評価基準（Red Book: RICS Valuation Professional Standards）に従う必要がある。</td>
</tr>
<tr>
<td>不動産鑑定士等のローテーション</td>
<td>英国王立チャータード・サーベイヤーズ協会は、実務上、7 年を超えない期間での評価人の交代が望ましい（必須ではない）としている。</td>
</tr>
<tr>
<td>その他</td>
<td>事業者の規模が小さい場合に、同一の評価依頼を定期的に受ける場合は、他の評価人によって7年以内に定期的な見直しをするように調整することで、評価の客観性を維持し、評価に対する信頼性を保つ方策を講じることができる。</td>
</tr>
<tr>
<td>不動産融資に関する制度・実務慣行</td>
<td>外部の独立した不動産鑑定士による鑑定評価の義務付け</td>
</tr>
<tr>
<td>その他</td>
<td>不動産鑑定士等のローテーション</td>
</tr>
<tr>
<td>その他</td>
<td>評価人は融資の貸し手またはその予定者、評価資産、さらに融資を必要とする取引のすべての関係者の間には過去、現在、将来にわたって利害関係がないこととし、この場合の「過去の関係」とは、通常は依頼日あるいは契約日から起算して過去 24 ヶ月以内における関係をいう。</td>
</tr>
</tbody>
</table>
3. オーストラリア

（1）上場REITに係る不動産鑑定士の独立性確保のための制度及び実務慣行

オーストラリアでは、不動産鑑定士の独立性確保を目的とする上場REITを対象とした鑑定評価に関する規制はなく、REITごと独自に不動産の評価方針が規定されている。また、評価人のローテーションに関しても年数などを制限する規制はなく、REITごとに独自のルールを定めている。例えば、Arena REITは、資産評価方針（Property Valuation Policy）のなかで、価値の定義、外部鑑定人による鑑定評価の頻度、評価人の選定基準、評価人のローテーション（3年以内）を開示している。なお、REITに関連する証券及び投資用不動産にかかる鑑定評価に関する実務上の指針には次のようなものがある。

a. オーストラリア証券投資委員会（ASIC：Australian Securities and Investment Commission）が定める制限指針（Regulatory Guide）
○ RG111 「専門家のレポートの内容（Content of expert reports）」
この指針は、専門家のレポート内容と証券保有者の取引の意思決定に専門家が役立つ方法を示している。鑑定評価に関する指針としては、評価手法と想定条件（Methodologies and Assumptions）について異なる手法を適用することで価格意見の信頼できないというリスクを最小限に抑え、また価格意見は合理的な想定条件に基づく必要があり、重要な想定条件は開示されるべきであることが言及されている。
○ RG112 「専門家の独立性（Independence of experts）」
証券保有者が専門家のレポートが独立した意見であるとの前提でいるため、仮に独立性が損なわれていると誤った判断に陥るとの原理原則が説かれ、専門家の独立性に関する重要性が示されている。

b. オーストラリア会計基準委員会（AASB:Australian Accounting Standards Board）による実務基準（Standard）
○ AASB140「投資不動産（Investment Property）」
会計士の開示義務として、財務諸表に開示される投資用不動産の公正価値は、社会的に認知された適切な専門的認証を有し、かつ投資用不動産の所在地と種類について最近の実績を有した外部の鑑定人による鑑定評価に基づくべきである。もし、そのような鑑定評価でなければ、その事実を公表する必要がある。

（2）不動産融資に係る不動産鑑定士の独立性確保のための制度及び実務慣行

オーストラリアの金融サービス産業の健全性を律するために、銀行、信用協会（Credit Unions）、ビルディング協会（Building Societies）、保険会社、年金運用会社などを
監視しているオーストラリア健全性機構（APEA：Australian Prudential Regulation Authority）が、信用協会とビルディング協会向けに、評価実務に係る実務指針（Practice Notes）を1998年に作成している。1990年後半、ローンの裏付け資産評価に対して、より厳格な方法への要請が、各方面から求められていたことから、評価実務に関する指針が公布された。指針には、商業用不動産、住宅用不動産の価値に応じて再評価の頻度、評価委員の適正、標準的な評価指図などの概要が列挙されている。

また、住宅担保ローンについては、2014年に健全性実務ガイドラインを公表している。このガイドラインは、預金受入金融機関のほか住宅ローンを取り扱う同機構が監視する機関に適用され、評価手法（Valuation Methods）とLoan to Value Ratioに関する留意点を規定している。
上場 REIT に関する制度・実務慣行

<table>
<thead>
<tr>
<th>項目</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>独立した不動産鑑定士による鑑定評価の義務付け</td>
<td>オーストラリアでは、上場 REIT を対象とした鑑定評価に関する規制はなく、REIT に関連する投資用不動産、証券に関する規制を参考に、REIT ごと独自に不動産の評価方針が規定されているようである。</td>
</tr>
<tr>
<td>不動産鑑定士等のローテーション</td>
<td>評価人のローテーションに関しても、年数などを記載している公的な規制はない。</td>
</tr>
<tr>
<td>その他</td>
<td>独自にルールを定めている REIT としては、例えば Arena REIT は、Property Valuation Policy（不動産評価方針）の中で、価値の定義、第三者鑑定評価の頻度、評価人の適正、評価人のローテーション（3 年以内）を設定、開示している。</td>
</tr>
</tbody>
</table>

不動産融資に関する制度・実務慣行

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>独立した不動産鑑定士による鑑定評価の義務付け</td>
<td>公的な規制はなく、個別の金融機関が鑑定評価の審査手続や鑑定人の選定に関する内部規則を設けているのが一般的である。</td>
</tr>
<tr>
<td>不動産鑑定士等のローテーション</td>
<td>同上。通常、外部鑑定人についてローテーションを要請することはない。</td>
</tr>
<tr>
<td>その他</td>
<td>特にならない。</td>
</tr>
</tbody>
</table>
4. シンガポール

（1）上場 REIT に係る不動産鑑定士の独立性確保のための制度及び実務慣行

シンガポールの REIT については、金融庁（MAS: Monetary Authority of Singapore）が定める集団投資スキーム規則（Code on Collective Investment Schemes）の付属 6 規制不動産ファンド（Investment Property Fund）において、不動産評価を含む REIT に関する規制が盛り込まれている。

この規則では、ファンドに組み込まれている不動産は、1 年（決算年度）に 1 回以上、外部の鑑定人によるフルバージョンの鑑定評価を行うことが義務づけられている。また、ファンドの追加発行・償還を行う場合、6か月以内に鑑定評価が行われておらず、不動産価値に変動が認められるときには、改めて機上評価を行うか否かの判断をすることが求められている。

鑑定人の独立性に関しては、鑑定人はファンドとの間に独立性を有していることが必要であるほか、同じ不動産については連続して 2 年以上同一の鑑定人が評価してはならないことになっている。

ファンドとファンドの関連会社との間で不動産を売買する場合、不動産を購入する場合には鑑定評価額の 110%を上回らない金額で、また不動産を売却する場合には鑑定評価額の 90%を下回らない金額で売買しなければならず、この場合の鑑定評価は、売買契約時点より 6か月以内のものである必要がある。また、この場合において 2 社以上の鑑定評価を取得したときには、両者の鑑定評価額の平均の金額を基準とすることになっている。なお、上記の 110%あるいは 90%を超えて不動産を取得・売却する場合には、投資主（Trustee）の事前の承認を必要とする。

（2）不動産融資に係る不動産鑑定士の独立性確保のための制度及び実務慣行

銀行の不動産融資に関連する鑑定評価については特別な規制はなく、それぞれの銀行の内部のルールに従って行われている。2013年に金融庁が行った住宅ローン事業に関する調査によれば、ほとんどの銀行では、融資における担保不動産の評価方針及び手順について、効果的な運用のもとで健全な評価が実施されている。具体的には、フルバージョンの鑑定評価、現地調査、外部鑑定人による審査会、外部鑑定人についての定期的な適性審査などのルールを導入している。また、融資部門から独立した部署において評価を行っている銀行もあるが、融資部門内で不動産評価を行うことの利益相反を許容しているところもあった。定期的な評価方針の点検やチェックの体制が十分でないケースのほか、外部鑑定人が銀行内部での評価チェックを兼ねていたケースも見受けられたようである。
<table>
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</tr>
<tr>
<td></td>
<td>ファンドに組み込まれている不動産は、1年（決算年度）に1回以上、外部の鑑定人によるフルバージョンの鑑定評価を行うことが義務づけられている。また、ファンドの追加発行・償還を行う場合、6か月以内に鑑定評価が行われておらず、不動産価値に変動が認められるときには、改めて機上評価を行うか否かの判断をすることが求められている。</td>
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<td>同じ不動産については連続して2年以上同一の鑑定人が評価してはならないことになっている。</td>
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<td>その他</td>
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</tbody>
</table>
5. 香港

（1）上場REITに係る不動産鑑定士の独立性確保のための制度及び実務慣行
香港証券取引商品委員会（Securities and Futures Commission）が策定した不動産
投資信託規則（Code of Real Estate Investment Trusts）の第6章に不動産鑑定評価に
関する規定がある。

この規定では、REITスキームに組み込まれている不動産は年1回、外部の独立鑑定
人によって正規の手続きでの鑑定評価を実施しなければならず、この場合、独立鑑定人
は香港サーベイヤーズ協会の策定するHKIS評価基準（HKIS Valuation Standards）に
則って鑑定評価を行うことが求められている。また、独立鑑定人の所属する鑑定業者は
次のような要件を満たさなければならないほか、独立鑑定人自身が当該REITや運用会
社との間で利益関係を有しないことが必要である。

a. 日常的に鑑定評価サービスを提供していること
b. 香港において不動産鑑定業を営んでいること
c. 主要な従業員がHKISの正会員または上級正会員であること
d. 100万香港ドル以上の資本があり、資産が負債を100万香港ドル以上超過していること

e. 鑑定評価書を審査・チェックするための内部態勢が整っていること
f. 通常のリスクをカバーする専門家保険に加入していること

このほかに、独立鑑定人は連続して3年間、REITスキームに組み込まれている不動
産の鑑定評価を担当した場合には当該不動産の鑑定評価にかかる独立鑑定人を退任しなければならず、その後3年間は当該不動産についての独立鑑定人になることはできな
いというローテーションルールが規定されている。

（2）不動産融資に係る不動産鑑定士の独立性確保のための制度及び実務慣行
香港においては、不動産融資にかかる不動産鑑定評価に関する公的な規制はない。た
だし、不動産抵当融資のための不動産鑑定評価は、HKIS評価基準のなかのガイダンス
ノート2「香港における不動産抵当融資を依頼目的とする鑑定評価に関するガイダンス
ノート」に従って行うことになっている。このガイダンスノートは、実際の依頼者が誰
であれ、融資する金融機関等の立場で鑑定評価を行うという原則が規定されている。

また、香港には鑑定管理会社（Appraisal Management Company）のような仕組みはな
く、それぞれの銀行において鑑定評価の審査手続や鑑定人の選定に関する内部規則を設
けているのが一般的である。例えば、不動産の鑑定評価について複数の担当者からなる
審査会を設置し、そこで鑑定人の選任や鑑定評価の内容の審査を行っているケースがある。

【不動産鑑定士の独立性確保のための制度・実務慣行のまとめ】

<table>
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| 上場 REIT に関する制度・実務慣行 | 部門の独立した不動産鑑定士による鑑定評価の義務付け  
香港証券取引商品委員会（Securities and Futures Commission）が策定した不動産投資信託規則（Code of Real Estate Investment Trusts）により、REITスキームに組み込まれている不動産は年1回、外部の独立鑑定人によって正規の手続きでの鑑定評価を実施しなければならないことになっている。
| 不動産鑑定士等のローテーション | 上記規則により、独立鑑定人は連続して3年間、REITスキームに組み込まれている不動産の鑑定評価を担当した場合には当該不動産の鑑定評価にかかる独立鑑定人を退任しなければならず、その後3年間は当該不動産についての独立鑑定人になることはできない。
| その他 | 独立鑑定人はHKISが策定するHKIS評価基準（HKIS Valuation Standards）に則って鑑定評価を行うことが求められている。また、独立鑑定人の所属する鑑定業者についての要件も定められている。
| 不動産融資に関する制度・実務慣行 | 部門の独立した不動産鑑定士による鑑定評価の義務付け  
公的な規制はなく、個別の金融機関が鑑定評価の審査手続や鑑定人の選任に関する内部規則を設けているのが一般的である。
| 不動産鑑定士等のローテーション | 同上。通常、外部鑑定人についてローテーションを要請することはない。
| その他 | 特にない。
Ⅳ 我が国に導入する際の効果及び課題

1. 資格制度

（1）資格の登録・ライセンス制度
イギリスを除く調査対象国・地域については、政府あるいは公的機関による資格の登録またはライセンス制度が存在する。資格の登録等を通じて、登録等がなされた専門家について一定の知識・経験及び倫理性の具備を確保することで、鑑定評価の利用者である消費者、あるいは金融機関と預金者等の保護に資するという仕組みとなっている。
ただし、鑑定評価の専門的・実務的な領域、具体的には、専門家としての倫理規定の策定、評価実務に係る基準や指針の作成、継続研修の実施等については鑑定評価の専門家団体が大きな役割を担っている。この点は、政府あるいは公的機関による資格の登録またはライセンス制度がないイギリスにおいても同様である。
日本の不動産鑑定士の資格制度については、政府の関与の程度こそ違えど、登録またはライセンス制度のある国・地域と制度の基本的な枠組みに大きな相違はなく、むしろ日本の制度は調査対象国・地域のなかで最も精緻に仕組まれているともいえる。

（2）登録・ライセンスの更新制度
イギリスを除く調査対象国・地域では、政府あるいは公的機関が資格の登録またはライセンス制度を運営しており、登録またはライセンスの更新制度が導入されている。更新のタイミングで、継続研修の受講等の登録等の要件を具備しているかどうかをチェックすることができるというだけでなく、更新に係る手数料収入が登録等の制度運営のための財源になっているという面もある。
日本の不動産鑑定士の団体が一定時間の研修機会を会員等に提供することが求められているものの、不動産鑑定士は継続研修が義務づけられていないこともあり、不動産鑑定士登録については更新等の制度は用意されていない。
日本においても不動産鑑定士に継続研修が義務づけられることになれば、その履行状況を定期的に確認するという仕組みを含めて、資格の更新制度を導入する意義が出てくると考えられる。不動産鑑定士に継続研修が義務づけられる場合、継続研修の目的、内容及び時間数等について改めて検討が必要となる。
2. 上場 REIT 及び不動産融資に係る不動産鑑定士の独立性確保のための制度

（1）不動産鑑定士あるいは不動産鑑定業者のローテーション

シンガポール及び香港においては、証券取引法の枠組みのなかで、REIT あるいは集団投資スキームに関わる不動産の鑑定評価について、同一の鑑定人が一定期間以上連続して鑑定評価を行うことが禁じられている。この期間はシンガポールでは 2 年、香港では 3 年となっている。また、オーストラリアでは、鑑定人のローテーションを求める公的な規制はないとものの、個別の REIT のなかには内部規則として鑑定人のローテーションを定めているところもある。

これらの鑑定人のローテーション制度等においては、専門家としての不動産鑑定人にについて継続的な鑑定評価を規制しており、不動産鑑定業者の交代は要請されていない。ただし、実際の運用においては、同一業者のなかで不動産鑑定人を交代させるのではなく、不動産鑑定業者を変更するケースも少なくないようである。

また、不動産融資にかかる鑑定評価については、調査対象国・地域において鑑定人のローテーションを義務づけているところはなく、金融機関の信用リスク管理の仕組みにおいて、担保不動産の鑑定評価を適切に行うための内部ルールが設けられているのみである。ただし、アメリカにおいて、金融機関に関わる鑑定評価については、外部鑑定人の選定、則るべき鑑定評価の基準、鑑定評価書に記載すべき事項、金融機関における内部鑑定人による審査など担保不動産の評価に係る一連の手順についてのガイドラインが設定されており、金融機関はこのガイドラインに従って内部ルールを構築している。イギリスでは鑑定人が則るべき評価基準において、鑑定人の 7 年でのローテーションを推奨しているが（交代するのは鑑定人で、業者ではない）、他の国・地域においてはこのようなルールを鑑定評価の実務基準・指針で規定しているところはない。

日本においては、REIT その他の集団投資スキーム及び不動産融資に関わる鑑定評価において、不動産鑑定士または不動産鑑定業者のローテーションを要請する規制はない。また、実態としても、継続的に鑑定評価を行う場合に不動産鑑定士または不動産鑑定業者が交代するケースは稀であり、あったとしてもより低い鑑定報酬を提示する不動産鑑定業者への乗り換えなど不動産鑑定士の独立性確保とは全く異なる理由で行われているのみである。

同一の不動産鑑定士が長期にわたり同一の不動産を評価している場合、ともすれば過去からの経緯にとらわれてしまい、鑑定評価の適正性が損なわれる可能性はないとはいかない。当該不動産鑑定士と依頼者との関係が緊密となり、依頼者の意向の影響を受けやすくなるおそれも考えられる。不動産鑑定士等についてローテーション制度を導入検討に当たっては、鑑定評価の内容を積極的に開示し、多くの関係者の目に触れるようにすることで、不動産鑑定士の独立性が疑われるような行為が行われないようにすることをと併せて、検討が必要と考えられる。
（2）鑑定管理会社の利用

アメリカにおいては、金融機関から鑑定人に直接に鑑定評価の依頼をするのではなく、鑑定管理会社を通じて鑑定評価を依頼することで、金融機関から鑑定人に対して鑑定人の独立性を損なうような働きかけができないような取り組みが行われている。鑑定管理会社の利用は、金融機関にとっては鑑定人の独立性確保という目的よりも、むしろ広大な国土をもつアメリカにおいて各地に分散する多くの担保不動産を同時に外部鑑定人に対し鑑定評価を依頼することは事務的な負担を軽減するという実利的な背景が色濃い。鑑定管理会社の利用について、現地の多くの有識者等からは、営利事業である限り鑑定管理会社がより低廉な報酬で鑑定人に依頼するというインセンティブが働くのは当然で、与信審査の短縮化のために金融機関から短期での納品を求められることも少なくないことから、鑑定管理会社から依頼を受ける鑑定人は安いだけでなく早さも求められ、結果として安かろう悪かろうの鑑定評価を助長しているとの指摘がある。鑑定管理会社間の受注競争もあり、業務量が安定していない中堅以下の鑑定管理会社では、クライアントである金融機関から鑑定人の選定や鑑定評価の内容について影響を受けるケースもあるようである。一方で、最大手クラスの鑑定管理会社では、クライアントである金融機関からの信頼を損なわないとために、依頼先となる鑑定人を評価・選別するなどの取り組みを行っている例もある。

日本ではアメリカのような鑑定管理会社は存在しないが、一部の不動産鑑定業者では金融機関から担保不動産の評価を引き受けて、日本各地の提携不動産鑑定士に評価を依頼するビジネスを展開しているところがあり、実態としてはアメリカの鑑定管理会社に近い。日本では金融機関及び資産運用会社等に対する金融庁の検査において、不動産の鑑定評価の依頼及び内容の審査等について厳しくチェックされ、行政処分に繋がった事案も発生しており、これが不動産鑑定士の独立性の確保に大きく寄与している。また、公益社団法人日本不動産鑑定士協会連合会では、依頼者から不動産鑑定士の独立性が損なわれるような圧力を受ける場合に同連合会に通報し、同連合会が依頼者に通知するなどの対応を行うことになっている。

日本において鑑定管理会社の仕組みを導入した場合、アメリカと同様の問題が生じることが予想され、鑑定管理会社を通じた鑑定評価の依頼が果たして不動産鑑定士の独立性の確保に繋がるかどうかは定かではない。さらに、鑑定管理会社による金融機関等からの依頼の受付、不動産鑑定士の選定、依頼、鑑定評価書の審査、鑑定評価書の納品に至る一連の手順を適切に実施するための指針及びその指針を遵守されるための仕組みを構築することが必要となる。
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（1）金融機関改革/再建/強化法 XI 章（1989 年）（FIRREA）
The following is a compilation of Title XI of the Financial Institutions Recovery, Reform, and Enforcement Act of 1989, as amended.

| 作成目的・背景 | FIRREA は、1980 年代米国における貯蓄貸付に関する金融危機を発端に策定された米国連邦法であり、XI 章（Title XI）において、不動産金融関連取引に係る不動産鑑定評価の在り方に関し定めている。 |
| 構成・概要 | 各州の不動産鑑定士管轄省庁、および、不動産鑑定評価基準の策定母体である The Appraisal Foundation (TAF) を監督する Appraisal Subcommittee (ASC) の設立。州政府の不動産鑑定士資格制度に関する監督。 |
| 本文に関連する条文・記述 | Title XI により設立された ASC は、各州における不動産鑑定士管轄省庁、および、不動産鑑定評価基準の策定母体である TAF を監督下に置くことで、間接的に不動産鑑定士を監督するものである。ASC の監督を通じて、不動産金融関連取引における当事者の利益を守ることを目的として、策定された条文である。 |

1101. Purpose（目的）
本章の目的は、不動産関連取引における金融および公の利益が、能力を有する専門家が統一基準に則り行った評価書に基づき、確保されることである。
TITLE XI
REAL ESTATE APPRAISAL REFORM AMENDMENTS
[12 U.S.C. 3331-3351]

The following is a compilation of Title XI of the Financial Institutions Recovery, Reform, and Enforcement Act of 1989, as amended.

SEC. 1101. PURPOSE [12 U.S.C. 3331]

The purpose of this title is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing in accordance with Uniform Standards, by individuals whose competency as determined and whose professionalism conduct will be subject to effective supervision.


The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end the following new section:

SEC. 1011. ESTABLISHMENT OF APPRAISAL SUBCOMMITTEE

There shall be within the Council an Appraisal Subcommittee to be known as the Appraisal Subcommittee, which shall be a committee of the heads of the Federal financial institutions regulatory agencies. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession.

SEC. 1103. FUNCTIONS OF APPRAISAL SUBCOMMITTEE [12 U.S.C. 3332]

(a) In general. The Appraisal Subcommittee shall—

(1) monitor the requirements established by States for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions including a code of professional responsibility;

(2) monitor the requirements established by the Federal financial institutions regulatory agencies and the Resolution Trust Corporation with respect to—

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under the jurisdiction require use of a State certified appraiser and which require the services of a State certified appraiser;

(3) maintain a national registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions; and

(4) transmit an annual report to the Congress not later than January 31 of each year which describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year.

(3) Membership and Organization. The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

SEC. 1104. CHAIRPERSON OF APPRAISAL SUBCOMMITTEE; TERM OF CHAIRPERSON; MEETINGS [12 U.S.C. 3333]

(a) Chairperson. The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.
(b) Meetings; quorum; voting. The Appraisal Subcommittee shall meet at the call of the Chairperson or a majority of its members when there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum, but 2 members must be present at each meeting of the Appraisal Subcommittee. The Appraisal Subcommittee shall be made by the vote of a majority of its members.

SEC. 1105. OFFICERS AND STAFF [12 U.S.C. 3334]

The Chairperson of the Appraisal Subcommittee shall appoint such officers and staff as may be necessary to carry out the functions of this title consistent with the appointment and compensation practices of the Board.


The Appraisal Subcommittee may, for the purpose of carrying out this title, establish advisory committees, hold hearings, set and act at times and places, take depositions, receive evidence, provide information, and perform research, as the Appraisal Subcommittee considers appropriate.

SEC. 1107. PROCEDURES FOR ESTABLISHING APPRAISAL STANDARDS AND REQUIRING THE USE OF CERTIFIED AND LICENSED APPRAISERS [12 U.S.C. 3336]

Appraisal standards and requirements for using State certified and licensed appraisers in federally related transactions pursuant to this title shall be prescribed in accordance with procedures set forth in section 553 of title 11 of the United States Code, including the publication of notice and receipt of written comments on the holding of public hearings with respect to any standards or requirements proposed to be established.

SEC. 1108. START-UP FUNDING [12 U.S.C. 3337]

(a) in general. For purposes of this title, the Secretary of the Treasury shall pay to the Appraisal Subcommittee a one-time payment of $5,000,000 on the date of the enactment of this Act. Thereafter, expenses of the subcommittee shall be funded through the collection of registration fees from certain certified and licensed appraiser pursuant to section 1109 or, if required, pursuant to section 1109(b) of this title

(b) Additional funds. Except as provided in section 1122(b) of this title, funds in addition to the funds provided under subsection (a) may be made available to the Appraisal Subcommittee only if authorized and appropriated by law

(c) Repayment of Treasury loan. Not later than September 30, 1998, the Appraisal Subcommittee shall repay to the Secretary of the Treasury the unpaid portion of the $5,000,000 paid to the Appraisal Subcommittee pursuant to this section.

SEC. 1109. ROSTER OF STATE CERTIFIED OR LICENSED APPRAISERS; AUTHORITY TO COLLECT AND TRANSFER FEES [12 U.S.C. 3338]

(a) in general. Each State with an appraiser certifying and licensing agency whose certification and licenses comply with this title, shall—

1. transmit to the Appraisal Subcommittee, no less than annually, a roster listing individuals who have received a State certification or license in accordance with this title; and

2. collect from such individuals who perform or seek to perform appraisals in federally related transactions, an annual registration fee of not more than $25, such fees to be transmitted by the State agency to the Council on an annual basis. Subject to the approval of the Council, the Appraisal Subcommittee may adjust the dollar amount of registration fees, up to a maximum of $50 per annum, as necessary to carry out its functions under this title.
(ii) Use of amounts appropriated or collected. Amounts appropriated for or collected by the Appraisal Subcommittee under this section shall be used—

(1) to maintain a registry of individuals who are qualified and eligible to perform appraisals in connection with federally related transactions;

(2) to support its activities under this title;

(3) to reimburse the general fund of the Treasury for amounts appropriated to and expended by the Appraisal Subcommittee during the 24-month startup period following the date of the enactment of this title and

(4) to make grants in such amounts as it deems appropriate to the Appraisal Foundation, to help defray those costs of the foundation relating to the activities of its Appraisal Standards and Appraiser Qualifications boards.

SEC. 1110. FUNCTIONS OF THE FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES RELATING TO APPRAISAL STANDARDS [12 U.S.C. 3338]

Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of each such agency or instrumentality. These rules shall require, at a minimum—

(1) that real estate appraisals be performed in accordance with generally acceptable appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation, and

(2) that such appraisals shall be written appraisals. Each such agency or instrumentality may require compliance with additional standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities.

SEC. 1111. TIME FOR PROPOSAL AND ADOPTION OF STANDARDS [12 U.S.C. 3340]

Appraisal standards established under this title shall be proposed not later than 6 months and shall be adopted in final form and become effective not later than 12 months after the date of the enactment of this Act.

SEC. 1112. FUNCTIONS OF THE FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES RELATING TO APPRAISER QUALIFICATIONS [12 U.S.C. 3341]

(a) In general. Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe, in accordance with sections 1113 and 1114 of this title, which categories of federally related transactions should be appraised by a State certified appraiser and which by a State licensed appraiser under this title.

(b) Threshold level. Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions. If such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions.

(c) GAO study of appraisals in connection with real estate related financial transactions below the threshold level.—

(1) Study required. At the end of the 12-month period, and the end of the 36-month period, beginning on the date of the enactment of this subsection (October 28, 1992), the Comptroller General of the United States shall conduct a study on the adequacy and quality of appraisals or evaluations conducted in connection with real estate related financial transactions below the threshold level established under subsection (b), taking into account
(A) the cost to any financial institution involved in any such transaction;

(B) the possibility of losses to the Bank Insurance Fund, the Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund;

(C) the cost to any customer involved in any such transaction; and

(7) the effect on low income housing.

(2) Reports to Congress are the appropriate Federal financial institutions regulatory agencies. Upon completion of each of the studies required under paragraph (1), the Comptroller General shall submit a report on the Comptroller General's findings and conclusions with respect to such study to the appropriate Federal financial institutions regulatory agencies, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, together with such recommendations as to legislative or administrative action on the matters at issue as determined to be appropriate.

SEC. 1113. TRANSACTIONS REQUIRING THE SERVICES OF A STATE CERTIFIED APPRAISER [12 U.S.C. 3342]

In determining whether an appraisal in connection with a federally related transaction shall be performed by a State certified appraiser, an agency or instrumentality under the Federal institutions regulatory agencies, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, together with such recommendations as to legislative or administrative action on the matters at issue as determined to be appropriate.

SEC. 1114. TRANSACTIONS REQUIRING THE SERVICES OF A STATE LICENSED APPRAISER [12 U.S.C. 3343]

All federally related transactions not requiring the services of a State certified appraiser shall be performed by either a State certified or licensed appraiser.

SEC. 1115. TIME FOR PROPOSAL AND ADOPTION OF RULES [12 U.S.C. 3344]

As appropriate, rules are issued under sections 1113 and 1114 shall be proposed not later than 6 months and shall be effective upon adoption in final form not later than 12 months after the date of the enactment of this Act.

SEC. 1116. CERTIFICATION AND LICENSING REQUIREMENTS [12 U.S.C. 3345]

(a) General. For purposes of this title, the term "State certified real estate appraiser" means any individual who has satisfied the requirements for State certification in a State or territory whose criteria for certification as a real estate appraiser currently meets the minimum criteria for certification issued by the Appraiser Qualifications Board of the Appraisal Foundation.

(i) Restriction. No individual shall be a State certified real estate appraiser under this section unless such individual has satisfied the minimum examination established by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualifications Board of the Appraisal Foundation.
(c) Definition. As used in this section, the term "State licensed appraiser" means an individual who has satisfied the requirements for State licensing in a State or territory.

(d) Additional Qualification Criteria. Nothing in this title shall be construed to prevent any Federal agency or institution not specifically authorized by law from establishing additional qualification criteria as may be necessary or appropriate to carry out the statutory responsibilities of such department, agency, or instrumentality.

(e) Authority of the Appraisal Subcommittee. The Appraisal Subcommittee shall not set qualification or experience requirements for the States in licensing real estate appraisers, including a de minimus [sic] standard. Recommendations of the Subcommittee shall be non-binding on the States.

SEC. 1117. ESTABLISHMENT OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES [12 U.S.C. 3346]

To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State may establish a State appraiser certifying and licensing agency.

SEC. 1118. MONITORING OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES [12 U.S.C. 3347]

(a) In general. The Appraisal Subcommittee shall monitor State appraiser certifying and licensing agencies for the purpose of determining whether a State agency's policies, practices, and procedures are consistent with this title. The Appraisal Subcommittee and all agencies, instrumentalities, and Federal agencies (including those recognized as Federal agencies under Title I of the Social Security Act) shall not recognize appraiser certifications and licenses from States whose appraiser policies, practices, or procedures are found to be inconsistent with this title.

(b) Disapproval by Appraisal Subcommittee. The Federal financial institutions regulatory agencies, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation shall accept certifications and licenses awarded by a State appraiser certifying and licensing agency unless the Appraisal Subcommittee issues a written finding that—

1. the State agency fails to recognize and enforce the standards, requirements, and procedures prescribed pursuant to this title;

2. the State agency is not granted authority by the State which is adequate to permit the agency to carry out its functions under this title; or

3. decisions concerning appraiser standards, appraiser qualifications, and supervision of appraiser practices are not made in a manner that carries out the purposes of this title.

[c] Rejection of State certifications and licenses.

1. Opportunity to be heard or present conditions. Before refusing to recognize a State's appraiser certification or licenses, the Appraisal Subcommittee shall provide that State's certifying and licensing agency a written notice of its intention not to recognize the State's certified or licensed appraisers and ample opportunity to present substantial information or to correct the conditions causing the refusal.

2. Adoption of procedures. The Appraisal Subcommittee shall adopt written procedures for taking actions described in this section.

3. Judicial review. A decision of the Subcommittee under this section shall be subject to judicial review.
SEC. 1119. RECOGNITION OF STATE CERTIFIED AND LICENSED APPRAISERS FOR PURPOSES OF THIS TITLE [12 U.S.C. 3348]

(a) Effective date for use of certified or licensed appraisers only —

(1) In general. Not later than December 31, 1992, all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this title.

(2) Extension of effective date. Subject to the approval of the Council, the Appraisal Subcommittee may extend, until December 31, 1991, the effective date for the use of certified or licensed appraisers if it makes a written finding that a State has made substantial progress in establishing a State certification and licensing system that appears to conform to the provisions of this title.

Temporary waiver of appraiser certification or licensing requirements for State having stability of qualified appraisers. Subject to the approval of the Council, the Appraisal Subcommittee may waive any requirement relating to certification or licensing of a person to perform appraisals under this title if the Appraisal Subcommittee or a State agency whose certifications and licenses are in accordance with this title makes a written determination that there is a shortage of certified or licensed appraisers to perform appraisals in connection with federally related transactions in a State or in any geographical political subdivision of a State, leading to significant delays. In the performance of such appraisals the waiver terminates when the Appraisal Subcommittee determines that such significant delays have been eliminated.

(b) Reports to State certifying and licensing agencies. The Appraisal Subcommittee, any other Federal agency, or any other Federal agency that reports any action of a State certified or licensed appraiser in accordance with the purposes of this title, to the appropriate State agency for disposition of the subject of the referral. The State agency shall provide the Appraisal Subcommittee or the other Federal agency or instrumentality with a report on its disposition of the matter referred. Subsequent to such disposition, the subcommittee or the agency or instrumentality may take such further action pursuant to written procedures it deems necessary to carry out the purposes of this title.

SEC. 1120. VIOLATIONS IN OBTAINING AND PERFORMING APPRAISALS IN FEDERALLY RELATED TRANSACTIONS [12 U.S.C. 3349]

(a) Violations except as authorized by the Appraisal Subcommittee or exercising its waiver authority pursuant to subsection (a) of this section —

(1) for a financial institution to seek, obtain, or give money or any other thing of value in exchange for the performance of an appraisal by a person who does not have a State certified or licensed appraiser in connection with a federally related transaction, and

(2) for the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or the Resolution Trust Corporation knowingly contract for the performance of any appraisal by a person who does not have a State certified or licensed appraiser in connection with a real estate-related financial transaction defined in section 1111(b) of Title 12 to which such association or corporation is a party.

(b) Penalties. A financial institution that violates subsection (a)(1) shall be subject to civil penalties under section 8(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818) and the Federal Credit Union Act, as applicable.

(c) Proceeding. A proceeding with respect to a violation of this section shall be an administrative proceeding with respect to any proceeding before an administrative agency in accordance with the procedures set forth in chapter 1 of title 5 of the United States Code.
SEC. 1121. DEFINITIONS [12 U.S.C. 3350]

For purposes of this title:

(1) State appraiser certifying and licensing agency. The term "State appraiser certifying and licensing agency" means a State agency established in compliance with this title.

(2) Appraisal Subcommittee; subcommittee. The terms 'Appraisal Subcommittee' and subcommittee mean the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.


(4) Federally related transaction. The term "federally related transaction" means any real estate-related financial transaction which —

(A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and

(B) requires the services of an appraiser.

(5) Real estate related financial transaction. The term "real estate-related financial transaction" means any transaction involving —

(A) the sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof;

(B) the refinancing of real property or interests in real property; and

(C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(6) Federal financial institutions regulatory agencies. The term "Federal financial institutions regulatory agencies" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

(7) Financial institution. The term 'financial institution' means an insured depository institution as defined in section 3 of the Federal Deposit Insurance Act or an insured credit union as defined in section 17 of the Federal Credit Union Act.

(8) Chairperson. The term 'Chairperson' means the Chairperson of the Appraisal Subcommittee selected by the council.

(9) Foundation. The terms "Appraisal Foundation" and 'foundation' means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois.

(10) Written appraisal. The term 'written appraisal' means a written statement used in connection with a federally related transaction that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

SEC. 1122. MISCELLANEOUS PROVISIONS [12 U.S.C. 3361]

(a) Temporary practice.

(1) In general. A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if—
(A) the property to be appraised is a part of a federally related transaction;

(B) the appraiser's business is of a temporary nature, and

(C) the appraiser is registered with the appraiser certifying or licensing agency in the State of temporary practice.

(2) Fees for temporary practice. A State appraiser certifying or licensing agency shall not charge excessive fees or burdensome requirements as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

(b) Reciprocity. The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States.

(c) Supplemental training. Funds available to the Federal Housing Institutions Regulatory agencies may be made available to the Federal Financial Institutions Examination Council to support the council's functions under this title.

(d) Prohibition against discrimination. Cultures created by the Federal Housing Institutions Regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation for appraiser qualifications in addition to State certification or licensing shall not exclude a certified or licensed appraiser for consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization.

(e) Other requirements. A corporation, partnership, or other business entity may provide appraisal services in connection with federally related transactions if such appraisal is prepared by individuals certified or licensed in accordance with the requirements of this title. An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if—

(1) the assistant is under the direct supervision of a licensed or certified individual, and

(2) the final appraisal document is approved and signed by an individual who is certified or licensed.

(f) Studies.

(1) Study. The Appraisal Subcommittee shall—

(A) conduct a study to determine the timing and financing information and data that is available to real estate appraisers in the States is sufficient to permit appraisers to properly estimate the values of properties in connection with federally related transactions, and

(B) study the feasibility and desirability of extending the provisions of this title to the function of personal property appraising and in personal property appraisers in connection with Federal finance and housing policy interests.

(2) Report. The Appraisal Subcommittee shall—

(A) report its findings to the Congress with respect to the study described in paragraphs (1)(A) no later than 12 months after the date of the enactment of this title, and

(B) report its findings with respect to the study described in paragraph (1)(B) to Congress not later than 12 months after the date of the enactment of this title.
SEC. 1123. EMERGENCY EXCEPTIONS FOR DISASTER AREAS [12 U.S.C. 3352]

(a) In general. Each Federal financial institutions regulatory agency may, by regulation or order, make exceptions to this title and to standards prescribed pursuant to this title, for transactions involving institutions for which the agency is the primary Federal regulator with respect to real property located within a disaster area if the agency—

(1) makes the exception not later than 30 months after the date on which the President determines, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, that a major disaster exists in the area and

(2) determines that the exception—

(A) would facilitate recovery from the major disaster, and

(B) is consistent with safety and soundness.

(b) 3 year limit on exceptions. Any exception made under this section shall expire not later than 3 years after the date of the determination referred to in subsection (a)(1).

(c) Publication required. Any Federal financial institutions regulatory agency shall publish in the Federal Register a statement that—

(1) describes any exception made under this section; and

(2) explains how the exception—

(A) would facilitate recovery from the major disaster; and

(B) is consistent with safety and soundness.

(d) Disaster area defined. For the purposes of this section, the term ‘disaster area’ means an area in which the President, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, has determined that a major disaster exists.
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THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA
AND INTERPRETATIONS OF THE CRITERIA

Real Property Appraiser Qualification Criteria
Effective January 1, 2015

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AGQ QSA

THE APPRAISAL FOUNDATION
Authorized by Congress as the Board of Appraisal Standards and Appraiser Qualifications
APPRaiser QUALIFICATIONS BOARD
VISION AND MISSION STATEMENT OF THE APPRAISAL FOUNDATION

VISION STATEMENT
To ensure public trust in the valuation profession.

Mission Statement
The Appraisal Foundation is dedicated to promoting professionalism and ensuring public trust in the valuation profession. This is accomplished through the promulgation of standards, appraiser qualifications, and guidance regarding valuation methods and techniques.

The Appraisal Foundation, a non-profit organization established in 1989, is dedicated to the advancement of professional valuation. The Foundation accomplishes its mission through the work of its three independent boards: The Appraisal Practices Board (APB), the Appraiser Qualifications Board (AQB) and the Appraiser Standards Board (ASB).
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LICENCED RESIDENTIAL REAL PROPERTY APPRAISER

I. GENERAL
A. The examination of real property appraiser is designed to test the knowledge of appraisers for residential and commercial properties in the United States. The examination is divided into two parts: the first part covers the basics of real estate appraisal and the second part covers advanced topics in real estate appraisal.

B. The examination is computer-based and consists of multiple-choice questions. The examinee is required to answer all questions correctly to pass the examination. The examination is administered by the National Association of Real Estate Appraisers (NAREB) and is approved by the State Board of Real Estate Appraisers (SREB) of the State of New York.

C. The examinee must score 70% or higher to pass the examination. The examinee is allowed to retake the examination after a waiting period of 90 days.

II. Examination
A. The examination consists of 200 multiple-choice questions. The examinee is required to answer all questions correctly to pass the examination.

B. The examination is computer-based and consists of two parts: the first part covers the basics of real estate appraisal and the second part covers advanced topics in real estate appraisal.

C. The examinee must score 70% or higher to pass the examination. The examinee is allowed to retake the examination after a waiting period of 90 days.

III. Qualifying Education
A. Applicants for the Licensed Residential Real Property Appraiser must successfully complete the 180-hour real estate appraisal course offered by an accredited college or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, American Council on Education, or by any other agency approved by the State Board of Real Estate Appraisers. The college or university must offer a course that meets the criteria established by the State Board of Real Estate Appraisers.

B. Applicants who do not have a degree in real estate appraisal must successfully complete an additional 90-hour course in real estate appraisal. The course must be approved by the State Board of Real Estate Appraisers.

C. Applicants who do not have a degree in real estate appraisal must pass an exam administered by the New York State Board of Real Estate Appraisers. The exam must cover advanced topics in real estate appraisal.

D. Applicants who do not have a degree in real estate appraisal must successfully complete a three-hour course in ethics and professional responsibility. The course must be approved by the State Board of Real Estate Appraisers.

E. Applicants who do not have a degree in real estate appraisal must successfully complete a three-hour course in real estate appraisal standards. The course must be approved by the State Board of Real Estate Appraisers.
Formal training and education are also very important. A paralegal must acquire a certain number of hours equivalent to 12 semester credit hours. Office experience may be substituted for 4 semester credit hours.

A paralegal may substitute 2 years of full-time experience in the residential real estate field for the remaining 8 semester credit hours.

B. Educational requirements are met by the following methods:

1. A Bachelor's Degree in Business Administration or related field.
2. A Master's Degree in Business Administration or related field.
3. A Certificate in Real Estate from a recognized institution.
4. A combination of education and experience totaling 12 semester credit hours.

C. The paralegal must also acquire a minimum of 72 hours of training in the following areas:

1. Residential Real Estate Transactions
2. Title Insurance
3. Real Estate Finance
4. Property Management
5. Real Estate Law
6. Real Estate Appraisal
7. Real Estate Marketing

D. Experience:

The applicant must have at least 2 years of full-time experience in the residential real estate field.

E. Additional requirements include:

1. Certified Residential Real Estate Professional (CRREP) or equivalent.
2. Licensed Real Estate Broker or equivalent.
3. Certified Residential Real Estate Appraiser (CRREA) or equivalent.
4. Certified Residential Real Estate Agent (CRREA) or equivalent.

F. Completed an approved Residential Real Estate course at a recognized institution.

G. The applicant must also be a member of the state real estate association and have completed the required continuing education courses.

H. The applicant must also be a member of the state bar association and have completed the required continuing legal education courses.
CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the CREATIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS for all but the following:

I. General
   A. Certified Residential Real Property Appraiser and Designation as the appraiser to appraise one-to-four residential dwelling units.

II. Examination
   A. A minimum of 1200 hours of education and experience included in the requirements of the Certified Residential Appraiser examination.

III. Qualifying Examination
   A. Appraiser in the Certified Residential Real Property Appraiser designation must hold a Bachelor's degree or higher from an accredited college or university.
   B. Candidates must have completed a two-year program in Real Estate appraisals from an accredited college or university or have completed a one-year program in a related field from a two-year college or university or have completed a one-year program in a related field from an accredited college or university.

B. The Certified Residential Real Property Appraiser designation requires completion of 8 hours of continuing education as specified in the Real Estate Appraiser Act of 2015 to maintain certification.
C. Training: Candidates must have completed the following educational programs:

<table>
<thead>
<tr>
<th>Course</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Real Estate Principles and Regulations</td>
<td>15</td>
</tr>
<tr>
<td>2. Residential Appraiser Supervising</td>
<td>15</td>
</tr>
<tr>
<td>3. Principles of Real Estate Appraisal</td>
<td>15</td>
</tr>
<tr>
<td>4. Law of Real Property Rights and Titles</td>
<td>15</td>
</tr>
<tr>
<td>5. Test of Real Estate Appraiser</td>
<td>15</td>
</tr>
<tr>
<td>6. Ethics in Real Estate Transactions</td>
<td>15</td>
</tr>
<tr>
<td>7. National Association of Real Estate</td>
<td>15</td>
</tr>
<tr>
<td>8. TOTAL</td>
<td>120</td>
</tr>
</tbody>
</table>

D. Experience:

- At least 2 years of licensed experience in real estate appraisal
- At least 5 years of real estate appraisal experience
- At least 10 years of real estate appraisal experience

E. Continuing Education:

- At least 10 hours of approved continuing education credits
- At least 20 hours of approved continuing education credits
- At least 30 hours of approved continuing education credits

F. Additional Requirements:

- At least 2 years of experience in real estate appraisal
- At least 5 years of experience in real estate appraisal
- At least 10 years of experience in real estate appraisal

IV. Experience:

- At least 2 years of experience in real estate appraisal
- At least 5 years of experience in real estate appraisal
- At least 10 years of experience in real estate appraisal
CERTIFIED GENERAL REAL PROPERTY APPRAISER

Please install the搶鐗安阳 at all times and have a copy of the APPRAISER CLASSIFICATIONS for quick reference.

I. General
   A. The applicant must have a Real Estate Appraiser Certification from the Certified General Real Property Appraiser Program.

II. Examination
   A. The applicant must have completed all required coursework.

III. Qualifying Education
   A. Applicants must hold a Bachelor's degree in business, engineering, or related field.

IV. Required Coursework
   A. 240 hours of coursework in business, engineering, or related field.

V. Additional Requirements
   A. 240 hours of coursework in business, engineering, or related field.

VI. Certification
   A. Applicants must pass a written examination.
C. Appraiser Torpedo's Licensed Residential New Property Appraiser training must include the following:

Section I: Basic Real Property Appraiser Training:

1. General Appraiser - 40 hours of instruction and 20 hours of field experience
2. General Appraiser - 40 hours of instruction and 20 hours of field experience
3. General Appraiser - 40 hours of instruction and 20 hours of field experience
4. General Appraiser - 40 hours of instruction and 20 hours of field experience
5. General Appraiser - 40 hours of instruction and 20 hours of field experience

Total: 200 hours

D. An equivalent combination of education and experience is acceptable, provided it includes:

1. A minimum of 150 hours of instruction in residential real estate appraisal
2. A minimum of 50 hours of field experience
3. A minimum of 50 hours of instruction in residential real estate appraisal
4. A minimum of 50 hours of field experience
5. A minimum of 50 hours of instruction in residential real estate appraisal
6. A minimum of 50 hours of field experience

E. A minimum of 100 hours of instruction in residential real estate appraisal

F. The following requirements must be met:

1. A minimum of 100 hours of instruction in residential real estate appraisal
2. A minimum of 50 hours of field experience
3. A minimum of 50 hours of instruction in residential real estate appraisal
4. A minimum of 50 hours of field experience
5. A minimum of 50 hours of instruction in residential real estate appraisal
6. A minimum of 50 hours of field experience

Total: 300 hours
（３）会員資格要件

MAI Designation Requirements for General Candidates for Designation
SRA Designation Requirements for Residential Candidates for Designation

| 作成目的・背景 | 本件は、米国不動産鑑定士協会（Appraisal Institute: “AI”）の資格称号である、MAI および SRA の取得にあたっての要件を定めたものである。 |
| 構成・概要 | 資格称号取得にあたっての、具体的な手順が述べられている。 |
| 本文に関連する条文・記述 | 本要件は、AI のインターネット・ホームページに掲載されており、誰でも閲覧が可能となっている。 |
| MAI資格称号に関する要件（「AI_mai-path-chart.pdf」） | http://www.appraisalinstitute.org/assets/1/7/mai-path-chart.pdf |
| SRA資格称号に関する要件（「AI_sra-path-chart.pdf」） | http://www.appraisalinstitute.org/assets/1/7/sra-path-chart.pdf |
MAI Designation Requirements for General Candidates for Designation

For full requirement details, please refer to Regulation No. 1

<table>
<thead>
<tr>
<th>General Candidacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required to have a general state certification (or equivalent) to be approved for the general candidate program, or complete all general certification exams and/or coursework through the Appraisal Institute</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Good Moral Character</th>
</tr>
</thead>
<tbody>
<tr>
<td>The general candidate must have good moral character</td>
</tr>
</tbody>
</table>

Begin: Enter General Candidate for Designation Program

1. Standards and Ethics Requirement* (must be completed within first year of Candidacy unless readmitting)
   - Provide proof of your most current USPAP™ completion certificate, and
   - Required to complete the Appraisal Institute Business Practices and Ethics course

   *For those readmitting to the Appraisal Institute, Standards and Ethics requirements must be completed before readmitting to the Appraisal Institute

   **Candidates who practice solely outside the United States may take the Introduction to International Valuation Standards Overview course instead of the USPAP course

2. College Degree Requirement
   - Candidate must have received at least a four (4) year Bachelor's Degree from an accredited degree-granting educational institution (or international degree equivalent for international candidates)

3. Attend course and pass exam for General Appraiser Report Writing & Case Studies

4. Pass exam for Advanced Income Capitalization
   - Live online courses: Select Live Class (Synchronous) tab at course link above, or Challenge Exam Application (without completing course)
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 5. | Pass exam for **Advanced Market Analysis & HBU**  
    (NEW! Live online course! Select Live Online (Synchronous) tab at course link above. Or Challenge Exam Application if not completing course) |
| 6. | Pass exam for **Advanced Concepts & Case Studies**  
    (Challenge Exam Application if not completing course) |
| 7. | Pass exam for **Quantitative Analysis**  
    (NEW! Live online course! Select Live Online (Synchronous) tab at course link above. Or Challenge Exam Application) |
| 8. | Pass General Comprehensive Examination  
    All education & college degree requirements must be completed prior to sitting for this exam |
| 9. | **Specialized Experience Requirement**  
    Must receive credit for 4,500 hours of shadow work |
| 10. | **General Demonstration of Knowledge Requirement** |
| 11. | **MAI Membership Applicati**
    Submit final application for approval once all requirements above are completed and credits received |

**Complete General Candidate Program Completed (within 4 years or less)**

**Important Reference Documents:**
- Candidate's Resources Manual
- Candidate Policy Manual

Next Page
College Degree Requirement
All general Candidates must have received at least a four (4) year undergraduate degree from an accredited degree-granting educational institution as approved by ADOC. International Candidates transcripts may be submitted directly to admissions@appraisalinstitute.org for approval.

Transcript Submission
A college or university may submit an official student's college transcript directly to admissions@appraisalinstitute.org or the college or university may mail an official college transcript directly to:

Appraisal Institute
Attn: Admissions Department
200 W. Madison
Suite 1500
Chicago, IL 60606
# SRA Designation Requirements for Residential Candidates for Designation

For full requirement details, please refer to Regulation No. 2

<table>
<thead>
<tr>
<th>Residential Candidacy</th>
<th>Requirements (to be approved for the residential Candidate program, or complete all general or residential certification exams and/or state exams through the Appraisal Institute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Moral Character</td>
<td>The residential Candidate must have good moral character.</td>
</tr>
</tbody>
</table>

## Begin: Enter Residential Candidate for Designation Program

1. **Standards and Ethics Requirements** (must be completed within first year of Candidacy unless redmitting)
   - Provide proof of your most current USPAP completion certificate, and;
   - Required to complete the Appraisal Institute Business Practices and Ethics course

   *For those redmitting to the Appraisal Institute, Standards and Ethics requirements must be completed before redmitting to the Appraisal Institute.*

   *Candidates who practice solely outside the United States may take the Introduction to International Valuation Standards Overview course instead of the USPAP course.*

2. **College Degree Requirement**
   - Residential Candidates who are admitted or redmitting to Candidacy on or after January 1, 2016 must hold a four (4) year undergraduate degree, or higher, from a degree from an accredited degree-granting educational institution approved by ADQC. International Candidate transcripts may be submitted directly to admissions@appraisalinstitute.org for approval.

3. **Residential Equivalency Examination**
   - A step 3 Residential Equivalency exam is required for Residential Candidate who holds an active general or residential state certification and will be eligible to have and pass the residential equivalency exam waiver for credit towards the following exam modules, or may pass the following examination modules:
     - Residential Appraiser Site Evaluation and Cost Approach
     - Residential Sales Comparison and Income Approach
     - Residential Market Appraisal and Case Studies
4. Pass exam for *Residential Market Analysis and Highest and Best Use* (available online) or *General Appraiser Market Analysis and Highest and Best Use* (classroom only)
   Challenge Exam Application (without completing course)

5. Pass Exam for *Real Estate Finance, Statistics, Valuation Modeling* (available online)
   Challenge Exam Application (without completing course)

6. Attend Course and Pass Exam for *Advanced Residential Applications and Case Studies/Part 1*
   Note: Pass and Pass *Advanced Residential Applications and Case Studies/Part 1* (course exam), with *Advanced Residential Round Writing/Part 2* (course exam) to also satisfy the residential Demonstration of Knowledge requirement (#4)

7. Residential Demonstration of Knowledge Requirement
   Must receive credit for the demonstration of knowledge requirement (6 options available)

8. Residential Experience Requirement
   Receive credit for your most recent 3,000 hours of residential appraisal experience (must cover at least 24 months). This work will be screened.

9. SRA Membership Application
   Submit final application for approval once all requirements above are completed and credit is received

Complete Residential Candidate Program Completed (within 3 years or less)

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**Important Resource Documents**

*Candidate Resources Manual*
*Candidate Policy Manual*

Next Page
Residential Candidates who are admitted to residential Candidacy on or before December 31, 2014, and who have maintained Candidacy continuously from such date of admission must hold an Associate's degree or higher, from a degree granting institution approved by ADQC.

Residential Candidates who are admitted or readmitted to Candidacy on or after January 1, 2015, must hold a four (4) year undergraduate degree, or higher, from an accredited degree-granting educational institution as approved by ADQC. International Candidate Transcripts may be submitted directly to admissions@appraisallstitute.org for approval.

Transcript Submission
A college or university may submit an official electronic college transcript directly to admissions@appraisallstitute.org or the college or university may mail an official college transcript directly to:

Appraisal Institute
Attn: Admissions Department
200 W. Madison
Suite 1500
Chicago, IL 60606
2. イギリス

（1）学卒者向け入会ガイドライン（RICS）

Candidate’s Guide—graduate route to membership

<table>
<thead>
<tr>
<th>作成目的・背景</th>
<th>本ガイドラインは、学卒者向けの RICS のメンバー会員等になるための概要を説明したもの。</th>
</tr>
</thead>
<tbody>
<tr>
<td>構成・概要</td>
<td>RICS のメンバー会員等になるために必要な APC（Assessment Professional Competence：専門適正審査）、RICS のメンバー会員等になるために必要な要件、RICS のメンバーとしての倫理規定、専門知識等について説明している。</td>
</tr>
<tr>
<td>本文に関連する条文・記述</td>
<td>3 ページ</td>
</tr>
<tr>
<td></td>
<td>英国王立チャータード・サーベイヤーズ協会の会員資格には、メンバー会員（MRICS）と上級資格であるフェロー会員（FRICS）等があるが、メンバー会員として入会するためには、次の要件を満たす必要がある。</td>
</tr>
<tr>
<td></td>
<td>a．関連分野における学士レベルの学位または英国王立チャータード・サーベイヤーズ協会が指定する専門分野の単位を取得していること</td>
</tr>
<tr>
<td></td>
<td>b．一定期間の関連分野における実務経験を有すること（例えば、関連分野における学士レベルの学位を取得している場合は学位取得後 5 年間）</td>
</tr>
<tr>
<td></td>
<td>c．同協会の行動規範への同意</td>
</tr>
<tr>
<td></td>
<td>d．一定時間のトレーニング・コース及び研修プログラム（Professional Development）を受講していること（例えば、関連分野における学士レベルの学位を取得している場合は専門適正審査前の 12 カ月で最低 20 時間の研修プログラムの受講）</td>
</tr>
<tr>
<td></td>
<td>d．専門適正審査（APC: Assessment Professional Competence）に合格すること</td>
</tr>
</tbody>
</table>
Assessment of Professional Competence

RICS Education and Training

Candidate’s guide – graduate route to membership
# Contents

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| Section two | Overview of the APC | 3 |
| Section three | Before you start training | 6 |
| Section four | Choosing your competencies | 7 |
| Section five | Key elements of the APC | 9 |
| Section six | The people | 10 |
| Section seven | APC training – what's involved | 11 |
| Section eight | Professional development | 14 |
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| Section eleven | Final assessment interview | 18 |
| Section twelve | After the assessment | 19 |
| Section thirteen | Where to find help | 20 |

*Candidate's guide – graduate route to membership*
Commitment is key

This guide will help you prepare for the commitment and responsibility that go with training for the Assessment of Professional Competence (APC). Completing this successfully leads to professional membership of RICS. These guides are generic and apply to all world regions. For specific advice on the APC in your own world region, check the RICS website and/or speak to your local RICS administrator.
Section two
Overview of the APC

What is the APC?

The APC is a certification and experience which when combined with academic qualifications leads to MUnI membership.

The objective of the APC is to encourage and develop critical national and international perspectives. The APC remains voluntary.

The process of structured training:

A formal assessment review

Your APC structured training will normally continue for a period of 25 months, during which you must complete a minimum of 400 hours of practical experience. Then, at 24 months, you will be ready for final assessment. The form you take will depend on your circumstances but will be subject to assessment by a team of experienced professionals. You must be competent in all areas of your APC preparation.

Graduate routes 1 and 2 – at a glance

<table>
<thead>
<tr>
<th>Academic Qualifications</th>
<th>Relevant Prior Experience</th>
<th>APC Structured Training</th>
<th>APC Final Assessment Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate 1</td>
<td>None</td>
<td>- 90 hours of assessed professional training followed by assessment interview and report writing.</td>
<td>30 minute interview and report writing.</td>
</tr>
<tr>
<td>NCEG accredited degree</td>
<td>At least 1,500 hours of practical experience before starting APC</td>
<td>- Regular meetings with supervisory tutor and professional practice development in each 2 month period.</td>
<td></td>
</tr>
<tr>
<td>Part-time and place year students may enrol in the APC during the final year of study at the completion of the course.</td>
<td></td>
<td>- 30 minute interview and report writing.</td>
<td></td>
</tr>
</tbody>
</table>

Graduate 2

NCEG accredited degree:

The structured training is to be completed after graduation, but you may start forward for assessment at the earliest.

- At least 1,500 hours of practical experience before starting APC and the degree completion certificate

- 11 hours of assessed professional training followed by assessment interview and report writing.

- 4 hours of professional practice development in each 2 month period.

- 30 minute interview and report writing.

- 15 minute interview and report writing.

- Regular meetings with supervisory tutor and professional practice development in each 2 month period.

- At least 200 hours of practical experience before starting APC.

- At least 1,500 hours of practical experience before starting APC and the degree completion certificate.

- 11 hours of assessed professional training followed by assessment interview and report writing.

- 4 hours of professional practice development in each 2 month period.

- 30 minute interview and report writing.

- 15 minute interview and report writing.

- Regular meetings with supervisory tutor and professional practice development in each 2 month period.

- At least 200 hours of practical experience before starting APC.

- At least 1,500 hours of practical experience before starting APC and the degree completion certificate.

- 11 hours of assessed professional training followed by assessment interview and report writing.

- 4 hours of professional practice development in each 2 month period.

- 30 minute interview and report writing.

- 15 minute interview and report writing.

- Regular meetings with supervisory tutor and professional practice development in each 2 month period.

- At least 200 hours of practical experience before starting APC.

The requirements of graduate routes 1 and 2 are as follows:

Graduate route 1: to complete at least 2 years of relevant experience.

Graduate route 2: to complete at least 4 years of relevant experience.

For full details of assessment interviews and report writing, please refer to page 14.
The competency approach

The APC relates to demonstrating personal achievement and the required level of knowledge, skills and abilities needed to perform specific tasks in business, the competences are based on abilities and qualities as well as attitude and knowledge.

The specific competences you must demonstrate depend on the APC pathway you follow. The pathways are listed on page 7.

Your choice of pathway will be determined by your employment or professional environment in order to demonstrate competence on the basis of a relevant experience. Your supervisor or employer will confirm your choice of pathway. The detailed requirements for each pathway are set out in the APC手册. You should consult the relevant guide for each pathway, which can be downloaded from the APC website.

Your training and the support you need to make sure you achieve the required competences in support of the APC are an essential component of the programme. You will be able to apply to the initial assessment interview in your supervisor and confirm that you have reached the level of competence required and have fulfilled the minimum training period.

Eligibility

To register and start your APC you must be in active employment in the UK. The guide provides information on how to access the APC, which is currently available for the first time to eligible individuals. The details on how to register and complete the programme are set out in the guide and can be obtained from the APC website.

The core of the competence needs to be attainment of the requirements set out in the guide. The core of the competence needs to be attainment of the requirements set out in the guide.

The guide provides information on how to access the APC, which is currently available for the first time to eligible individuals. The details on how to register and complete the programme are set out in the guide and can be obtained from the APC website.

The core of the competence needs to be attainment of the requirements set out in the guide. The core of the competence needs to be attainment of the requirements set out in the guide.
## Undergraduate start points

<table>
<thead>
<tr>
<th>Undergraduate start points</th>
<th>Graduate route 1</th>
<th>Graduate route 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time</strong></td>
<td>Start structured training as soon as you are in relevant employment</td>
<td>Start structured training as soon as you are in relevant employment</td>
</tr>
<tr>
<td><strong>Part-time/distance learning</strong></td>
<td>Start structured training as soon as you have completed second year of the degree &amp; have at least 12 months’ work experience completed concurrently with your studies. The minimum period of study must be successful completion of the second year degree.</td>
<td>Start structured training as soon as you have completed second year of the degree &amp; have at least 12 months’ work experience completed concurrently with your studies. The minimum period of study must be successful completion of the second year degree.</td>
</tr>
<tr>
<td><strong>Placement (sandwich)</strong></td>
<td>Start structured training when you start your work placement, provided you have also completed the second year of the degree. The minimum 12 months’ training must be after successful completion of the second year degree.</td>
<td>Start structured training when you start your work placement, provided you have also completed the second year of the degree. The minimum 12 months’ training must be after successful completion of the second year degree.</td>
</tr>
</tbody>
</table>

## Postgraduate start points

<table>
<thead>
<tr>
<th>Postgraduate start points</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time</strong></td>
<td>Start structured training as soon as you are in relevant employment</td>
</tr>
<tr>
<td><strong>Part-time/distance learning</strong></td>
<td>Start structured training as soon as you begin your course, provided you are in relevant employment. You can complete the required structured training concurrently with your studies.</td>
</tr>
</tbody>
</table>

There is some limited scope for backdating the start date for receiving training; see next page for details.
Section three
Before you start training

Registering for the APC
A delay of a few weeks in your enrolment could put your training schedule at risk. Registers are normally held twice a year. Check dates in your or your supervisor's diary. There are the following minimal documents:

- APC guide for supervisors, students and candidates, July 2006
- the APC/ARC examinations and assessment guide, July 2006 — this will be the companion guide to the APC pathway
- the Pathway Guide for your APC pathway which explains the standard format of the content of your area of practice
- Certificate of attendance form RICS Contact Centre and Code of Practice (see page 319)

Evidence from your university that you have successfully completed your degree.

You and your employer MUST read the guides carefully.

You must complete the short form complete as you apply online. This is available on the RICS website. It must be completed by you, your employer and you must sign it. You must also include all the required standard format of otherwise your application cannot be accepted.

Once completed, RICS will confirm your registration and return your email. It is advisable that you carry out your training under the guidance of a qualified supervisor. The aim of your training is to help you develop the knowledge and skills necessary to become a registered surveyor.

The APC pathway guide for the RICS training programme provides information on the assessment process and the requirements for the examination. It is important that you read this guide carefully.

Change of employment
Before you start training, you may need to transfer your registration to a new employer. You should inform your new employer of your intention to transfer your registration. You should also inform your old employer of your decision to transfer your registration. You should also inform your new employer of your decision to transfer your registration.

If you are in the UK, your new employer must have a structured training agreement in place. You must also inform your old employer of your intention to transfer your registration. You should also inform your new employer of your decision to transfer your registration.

Once you have completed your training, you should submit your evidence of training to RICS. The evidence of training should include a copy of your registration certificate, a copy of your APC pathway guide, and a copy of your APC examination report.
Section four
Choosing your competencies

The AFC pathways are as follows:

Arts and humanities
- Building design
- Building surveying
- Conservation and property practice
- Environmental management
- Fine art and design
- Interiors design
- Landscape architecture
- Photography and digital media
- Product design
- Visual communication

- Property management
- Quantity surveying and construction management
- Residential property practice
- Sustainable energy and technology

Level 1 knowledge and understanding
Level 2 application of knowledge and understanding
Level 3 technical advice and report writing

The mandatory competencies

These competencies are a mix of the professional practice, interpersonal, technical, and management skills that are required to work as a surveyor. These competencies are necessary for all surveyors. Your goal should be to achieve the following minimum standards:

Level 1:
- Level 2:
- Level 3:

- Level 4:
- Level 5:
- Level 6:
- Level 7:
- Level 8:

- Level 9:
- Level 10:
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- Level 100:
The technical competencies

To each APC pathway peculiar to its competencies must be adhered. These are required in context and content. For each APC pathway the student's Pathway Guide be as a tool for the competencies should be remediated in the context of the area of professional practice.

It is important that you give careful thought to your choice as a combination of competencies. The combination if the areas selected will reflect the needs of your day-by-day environment better than the needs of your organization. Your role as a student is to determine the areas you are interested in and commit yourself to not necessarily expert in making you the best possible choice at the end of your learning. You decide what area you want to improve on.

The choice of combination of competencies will be a reflection of your judgment and interest in supervision and consultation. All in all, and general interests and concerns will have their impact on your account and all consider that a balanced and varied background is beneficial.

The number of days to reach the competence level of competence will depend on a number of factors:

- the day-to-day feedback from the examiner
- your ability and persistence with the competency
- the quality of your learning and experience in the area
- the nature of the competency

Note: There is a minimum requirement for the number of training days at the beginning of the training period or at the start of the training period. It is the same 40 days, with 20 follow-up training days being the same 20 days, 222 training days within the first 11 months, and 11 months of training for graduate nurses. As a general rule, you will need to pass all the required level of competencies within the minimum training period.
Section five
Key elements of the APC

Your record keeping is more detail

As soon as you start you will have the pack of records to complete. These are the records you will complete as you progress through your APC, and submit them after you are ready for final assessment. Each time you complete and submit these records to your supervisor, a review is undertaken and the issues to you will be clarified. The pack contains completed guidance on completing the forms etc.

You will also complete your own record in the form of a "taking diary". We use the information you enter to keep the key records. You will complete the log book. After you've completed the log book, you can enter your daily work, and these are reviewed and commented on by your supervisor. Processed at the end of the course, and returned to you in the achievement record. A diary template is on www.careerplus
Section six

The people

Here are the people who will influence your progress through the RICS membership.

Your RICS mentor will help you through your training as a formality. You must liaise with your mentor on a regular basis to discuss your training. Your RICS mentor will help you identify gaps in your knowledge and keep your workmates updated. You will communicate with your supervisor on a regular basis. Your supervisor will be responsible for your overall development and act as your career mentor.

Your employee must ensure that the APC is a success within the company. Your employee must ensure that the RICS mentor is available to you as required. The RICS mentor will help you to identify and develop your professional development opportunities. The RICS mentor will ensure that your training is up to date and relevant.

Your supervisor must ensure that the APC is a success within the company. Your supervisor must ensure that your work is up to date and relevant. The supervisor must ensure that your training is up to date and relevant. Your supervisor should liaise with your RICS mentor and ensure that your training is up to date and relevant. Your supervisor should liaise with your RICS mentor and ensure that your training is up to date and relevant. Your supervisor should liaise with your RICS mentor and ensure that your training is up to date and relevant.

Your role as a supervisor is to ensure that the APC is a success within the company. Your role as a supervisor is to ensure that your work is up to date and relevant. Your role as a supervisor is to ensure that your training is up to date and relevant. Your role as a supervisor is to ensure that your training is up to date and relevant. Your role as a supervisor is to ensure that your training is up to date and relevant.

The RICS training advisor will liaise with you to ensure that your training is up to date and relevant. The RICS training advisor will liaise with you to ensure that your training is up to date and relevant. The RICS training advisor will liaise with you to ensure that your training is up to date and relevant.
## Section seven
### APC training – what's involved

**Graduate route 1 minimum timeline**

<table>
<thead>
<tr>
<th>Month</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>APC enrolment</td>
<td>Supervisor and counsellor appointed. Start diary by book, recording professional development.</td>
</tr>
<tr>
<td>3-month supervisor’s meeting</td>
<td></td>
</tr>
<tr>
<td>6-month supervisor’s meeting</td>
<td></td>
</tr>
<tr>
<td>9-month supervisor’s meeting</td>
<td></td>
</tr>
<tr>
<td>12-month supervisor’s meeting</td>
<td>Day 1: Identifying suitable protocols for critical analysis</td>
</tr>
<tr>
<td>15-month supervisor’s meeting</td>
<td>Critical analysis – identify and assess sub-set, maintain synopsis, discuss with supervisor/trainer</td>
</tr>
<tr>
<td>18-month supervisor’s meeting</td>
<td></td>
</tr>
<tr>
<td>21-month final research meeting with supervisor and equivalent with data, draft HCP partner final research application and submissions.</td>
<td>Critical analysis complete</td>
</tr>
<tr>
<td>Earliest data for final assessment Interim</td>
<td></td>
</tr>
</tbody>
</table>
### Graduate route 2 minimum timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st month</td>
<td>APC enrolment</td>
</tr>
<tr>
<td>2nd month</td>
<td>Personal separation meeting</td>
</tr>
<tr>
<td>3rd month</td>
<td>Supervisor's meeting</td>
</tr>
<tr>
<td>4th month</td>
<td>Internal controls meeting</td>
</tr>
<tr>
<td>5th month</td>
<td>1st month final assessment meeting with supervisor and assessor, followed by a final AIRS final assessment application and submission</td>
</tr>
<tr>
<td>6th month</td>
<td>Critical analysis - identify all agreed expectations and objectives, develop a sustainable plan for the remainder of the year</td>
</tr>
<tr>
<td>7th month</td>
<td>Critical analysis complete</td>
</tr>
</tbody>
</table>

### Day-to-day

Your supervisor and colleagues must keep regular contact with you throughout the programme, with at least one monthly meeting. During these meetings, they will discuss your progress, set targets, and provide feedback. It is important to ensure that you are meeting these goals and are making progress.

- **Engineering** and **commercial** work are core to the programme, with regular contact between the supervisor and the candidate.

### Half-way point: best practice for candidates on graduate route 1

It is recommended that at this stage, you should start thinking about what you want to achieve in your final year. This will help you focus on your career development and plan the rest of your time. By doing this, you will have a clear understanding of what you want to achieve and what you need to do to achieve it.

- **Engineering** and **commercial** work are core to the programme, with regular contact between the supervisor and the candidate.

Your supervisor and colleagues should check your progress regularly and provide feedback to ensure that you are meeting the requirements of the programme.
Log book

After completion of the final assessment you will be required to record your experiences in a log book. This is a mandatory requirement for all candidates who complete the course.

Final assessment submissions

You must ensure you submit log book and any other written or oral work as required - see the information with your assessment pack.

Factors that might affect performance at interview

RICS will be flexible to accommodate any special interview requirements. However, in the interview, candidates may be asked to present written or oral evidence of certain factors that could affect their professional or academic performance. This information will be used to ensure the fairness of the assessment process. It is important to provide this evidence even if it is not directly related to your professional performance. This avoids any potential issues that may arise during the assessment process.
Section eight
Professional development

It is your responsibility to plan and achieve professional development. For each 12 months structured planning, you must undertake a minimum of 24 hours of professional development. This includes you gaining new skills and knowledge which are not directly related to your current role or tasks. For example, you might seek to improve your management, technical and/or interpersonal skills. There are a number of ways in which you can gain these skills, such as:

- enrol in formal training courses
- attend workshops
- read professional journals
- participate in study groups
- engage in self-directed learning
- network with colleagues
- access online resources

Professional development should be tailored to your needs and goals. It is important to consider your future roles and responsibilities, as well as your personal interests. It is recommended that you set clear and achievable goals for your professional development.

Professional development plan

- Personal skills development: linked to mandatory competencies
  - normally 16 hours per year

- Technical skills development: linked to core/optional competencies
  - normally 16 hours per year

- Professional practice skills development: linked to professional practice competencies, code of ethics and conflicts of interest
  - normally 16 hours per year

Special after you must be geared to the principles of ensuring professional development. These include:

- gaining new skills and knowledge
- based on an explicit process of selecting, planning, and evaluating the activities
- reflect gaining from informal learning through specific learning objectives

Professional development should support your mandatory and technical competencies. It suggests the following framework to help you plan your professional development:

1. Identify your needs and goals
2. Set clear and achievable goals
3. Select relevant activities
4. Plan your time
5. Evaluate your progress
6. Adjust your plan as necessary

This framework will help you ensure that your professional development is effective and impactful.
Personal skills development
Development of transferable personal and interpersonal skills such as:
- Communication
- Critical thinking
- Data management
- Information technology
- Team-working

Technical skills development
Development of competencies useful in your APM pathway. These are notjson date streams and
sureboard training.

Professional practice skills development
Development of transferable and career-specific skills:
- Understanding of client
- Conflict resolution (resolution, dispute resolution protocol)
- ACG code of conduct, professional practice area, codes
- Structure and use of RICS.

Selection, planning and evaluation
You should discuss your selection and identify with your supervisor. You must provide evidence of a
structured and focused approach to your studies, making clear the relationship between the topic and the development
aim of your career.
In terms of content, the selection of your professional development and provide evidence of this as part of your
final assessment. This would include the key learning outcomes for each element. Practical and structured
learning is expected as part of your professional development.

Part-time/distance learning/ placement students
If you are on a part-time, distance learning, or placement degree
RICS will consider your final year assessment towards your
career-development linked to that year. This should be supplemented by other professional development and activities
in the first two years.

You are a part-time student, you may make part of your study to
RICS by completing a part-time degree. You will need to
RICS that your studies are focused on the professional development links with your registration for all subjects, and it will
certification of your professional development. However, this will not necessarily help you or be supported by other students.

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Section nine
Rules of Conduct

The Rules of Conduct are designed to promote professional conduct, maintain integrity, and provide a framework for ethical behavior. All members are expected to adhere to these rules at all times.

The Rules of Conduct apply to all aspects of business by professional conduct. They govern member conduct in all matters of integrity and business ethics. All members are responsible for the Rules of Conduct and for applying them in the discharge of their duties.

If you have any questions or need further clarification on the Rules of Conduct, please contact your local branch or headquarters.
Section ten
Critical analysis

The critical analysis section is aimed at providing an overview of the project and identifying any areas for improvement. It should contain a summary of the project's objectives, the methods used, and the results obtained. This section should also discuss any challenges faced during the project and how they were overcome. Additionally, it should highlight any lessons learned and how they can be applied to future projects.

Critical analysis format and content

The critical analysis should:

- Be concise.
- Be structured in a logical order.
- Include an introduction that provides background information.
- Have a clear and concise thesis statement.
- Use a logical structure, with paragraphs that are well-organized.
- Include critical analysis, which includes the strengths and limitations of the project.
- Use examples and data to support your arguments.
- Be well-written, with proper grammar and spelling.
- Be submitted before the deadline.

Key issues supported by your project may be

- Your proposed solution: what new ideas or approaches you have come up with to solve the problem.
- The broader implications of your findings: how your project may impact society or the field.
- The methodology: how you conducted your research and the validity of your results.
- The limitations of your research: what aspects of your study could not be explored or were not fully addressed.
- The significance of your findings: how your research contributes to the field or the world.

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- The significance of your findings: how your research contributes to the field or the world.

Your proposed solution: what new ideas or approaches you have come up with to solve the problem. This could be a new design, a different methodology, or a novel way of thinking. Your proposed solution should be clearly explained and supported with evidence.

The broader implications of your findings: how your project may impact society or the field. This could be through new policy recommendations, improvements to existing systems, or new insights into a particular issue.

The methodology: how you conducted your research and the validity of your results. This could include a discussion of the research design, data collection, and analysis techniques.

The limitations of your research: what aspects of your study could not be explored or were not fully addressed. This could include data limitations, methodological limitations, or sample limitations.

The significance of your findings: how your research contributes to the field or the world. This could be through new insights, new knowledge, or new ways of thinking.

Points to watch

Confidentiality: you must ensure that your analysis is not shared with anyone not involved in your critical analysis. You can do this by using code names that do not resemble any real names.

Note: the information contained in your critical analysis will be used in the final report so it must be informative.

References and notes:

References to sources are important for giving credit where it is due. If you use any external sources, ensure that they are properly cited.

Total word count: you must write a word count statement. You can do this in the abstract or in your critical analysis.

Finally, your critical analysis must reflect your attitude to the topic.

- Written and graphic composition
- Analytical and interpretative abilities
- Thinking and perception
- Communication and presentation skills
- Learning from experiences
Section eleven
Final assessment interview

Interview
The interview will be conducted by your assessment team in the following circumstances and will be held at the University of the Arts, London, in the Chili Building.

At the interview you will be questioned on:
- your presentation and critical analysis
- your final assessment and rationale including your grade and a development plan
- the accuracy and coherence of your argument and knowledge, including all the NCRG units relevant to the current issues of concern in the profession.

The interview will be held on the day and in the same place as the practical exam.

On the practical exam, the assessors will normally ask you about the work you did and why you did it, and how you approached it. You will also be asked about your understanding of the issues surrounding your report.

Interviewers will be testing your general level of ability; they do not expect you to be an expert in every area of professional activity. They will be expecting you to have done some thoughtful reading on the topic of your report, and that you have an idea of what you need to do to improve your level of professional competence and the elements of the NCRG.

The interview assessors will also be testing your understanding of assessment criteria, including NCRG units. You will be expected to show an awareness of the elements of the NCRG, and to demonstrate that you have understood the elements of the NCRG.

Presentation
You will give a 10-minute presentation to the assessors on the support evidence, and the data of your critical analysis.

Notice: presentation times are not exactly 10 minutes.
Section twelve
After the assessment

Results
RICS will write to you at least 21 days after your interview to confirm the outcome. You will receive written notification of your result. If you are successful, you will be offered provision of membership of the RICS (MRICS). If your application is refused, you will be informed of the facts shortly thereafter.

For security and data protection reasons, RICS will not provide details over the telephone, email or in a third party.

Referrals
If the assessment is a referral, you will be told the examination by the examiner involved in the decision. The examiner may ask that you:

- accompany the examiner to the examination
- discuss the result of your examination
- provide a review of your results
- discuss the selection of an alternative examiner

If you disagree with the examiner's decision, you can appeal by contacting the RICS or by writing to the examiner. The appeal should be made within 21 days of the examiner's decision. The appeal cannot appeal the examiner's decision or any other administrative or procedural matters.

Any appeal against the decision of the examiner will be considered by the RICS. The appeal should state the grounds on which the appeal is being made, supported by appropriate evidence.

Appeals
You will have 21 working days from the date of the results letter from RICS to make an appeal. Details of how to make an appeal are available on the RICS website.

The appeal panel does not question the merits of the assessment decision. It looks at how the assessment was conducted and whether the assessment was fair or not. The appeal panel will also consider whether the candidate's compliance to plagiarism, or any administrative or procedural matters.

When an appeal is made without

- a compelling and acceptable explanation of any irregularity
- details of any evidence that can support the appeal

The appeal panel will not take any action on the appeal and the appeal will be refused.

Assessments outside the UK
Many countries around the world have national associations with whom they work in the RICS. In these countries, the RICS has representative assessment centres. The RICS is also a member of the UK National Assessment Centre (NAC), which provides a national assessment service for those seeking membership of the RICS.
Section thirteen
Where to find help

Completing an APC can be both challenging and rewarding. Effective support and guidance are available for candidates and employees.

Resources available include
- the APC section on the RICS website
- the RICS Help Centre (www.rics.org/services/help)
- APC regional offices
- RICS local administrators outside the UK
- RICS learning advisers (UK only)
- APC direct line for candidates and employees
- the APC pathway guide

If you need any help during the learning period, please call:
RICS Contact Centre
Tel +44 (0)870 333 1696
Fax +44 (0)20 7334 2911
E contact@RICS.org
W www.rics.org

Finally,
Remember to ensure that RICS has your up-to-date email address.
Advancing standards in land, property and construction.

RICS is the world’s leading qualification when it comes to professional standards in land, property and construction.

In a world where more and more people, governments, banks and commercial organisations demand greater certainty of professional standards and ethics, attaining RICS status is the recognised mark of property professionalism.

Over 100,000 property professionals working in the major established and emerging economies of the world have already recognised the importance of securing RICS status by becoming members.

RICS is an independent professional body originally established in the UK by Royal Charter. Since 1868, RICS has been committed to setting and upholding the highest standards of excellence and integrity - providing impartial, authoritative advice on key issues affecting businesses and society.

RICS has a worldwide network. For further information simply contact the relevant RICS office or our Contact Centre.
（２）継続研修の要件及び義務（RICS）
CPD requirements and obligations

<table>
<thead>
<tr>
<th>作成目的・背景</th>
<th>本規定は、RICS のメンバー会員の継続研修（CPD）の概要を説明したもの。</th>
</tr>
</thead>
<tbody>
<tr>
<td>構成・概要</td>
<td>RICS のメンバー会員の継続研修（CPD: Continuing Professional Development）の要件や種類について説明している。</td>
</tr>
<tr>
<td>本文に関連する条文・記述</td>
<td>会員には年間 20 時間以上の継続研修（Continuing Professional Development）の受講が求められている。このうち少なくとも 10 時間は同協会が提供する公式なコースを受講する必要がある。公式なコースとしては、セミナーやカンファレンス、通信教育、Web によるトレーニングコースなどが同協会から提供されている。</td>
</tr>
</tbody>
</table>

1 ページ
CPD requirements and obligations

08 Feb 2012

All RICS members (RPS, RM, RICS and PRICS) must complete 10 hours CPD by 31 December. You must also declare your learning activity online.

1. All RICS members must undertake a minimum of 30 hours CPD each calendar year (January to December).

2. Of the 30 hours, at least 10 must be formal CPD. The remainder can be informal CPD. For guidance, see below and download the examples.

3. All RICS members must maintain a relevant and current understanding of RICS ethical and professional standards during each three-year period. A learning and development plan submitted that year as part of the annual CPD record.

4. All RICS members must record their CPD activity online.

Formal CPD

Formal CPD is learning that is planned, organized and measured in a way that achieves specific learning objectives. It can include development programs, seminars, workshops, online courses or in-person courses.

Informal CPD

Informal CPD is learning that occurs as part of everyday work or personal life. It can include reading, discussing ideas with colleagues, attending meetings or conferences.

Activities that do not count as CPD

Activities that do not count as CPD include social events, conferences, and professional development that is not specifically related to your role.

Mainstream CPD

Mainstream CPD is learning that is relevant to your role and is directly related to the achievement of your professional objectives. It can include attending courses, workshops, and seminars.

Ongoing CPD

Ongoing CPD is learning that you undertake to improve your performance throughout your career. It can include reading, discussing ideas with colleagues, and attending conferences.

The requirements for the annual CPD cycle are:

- 1. **Compliance:** All CPD must be conducted in a professional and ethical manner, and all CPD records must be kept for at least five years.
- 2. **Evidence:** All CPD records must be kept for at least five years, and all CPD records must be kept for at least five years.

The requirements for the annual CPD cycle are:

- All RICS members must undertake a minimum of 30 hours CPD each calendar year (January to December).
- Of the 30 hours, at least 10 must be formal CPD. The remainder can be informal CPD. For guidance, see below and download the examples.
- All RICS members must maintain a relevant and current understanding of RICS ethical and professional standards during each three-year period. A learning and development plan submitted that year as part of the annual CPD record.
- All RICS members must record their CPD activity online.

For more information, please visit the RICS website at www.rics.org.
Training for firms

Every firm needs to provide training for its employees to ensure they have the necessary skills to perform their jobs effectively. This is especially true for firms that operate in highly regulated industries, where compliance with regulations is critical. In addition, firms may also need to train employees to adapt to changes in technology, business strategy, or market conditions. Training can be an important investment in the long-term success of a firm, as it helps to improve the productivity and retention of employees.

A comprehensive training policy should include:

- A clear statement of the firm's training objectives and goals.
- Regular training and assessment to ensure that employees are meeting performance standards.
- Access to training resources, such as online courses, seminars, and workshops.
- Recognition and rewards for employees who demonstrate a commitment to professional development.
- Compliance with regulatory requirements, such as mandatory training for employees in certain industries.

Meeting training requirements

Firms should ensure that all employees have the training and skills necessary to perform their jobs effectively. This may involve providing on-the-job training, external training, or a combination of both. Employees should also be encouraged to pursue further education and professional certifications to enhance their skills and knowledge.

Financial and legal benefits

Training can also be a significant financial benefit to the firm, as it can lead to increased productivity, reduced errors, and improved customer satisfaction. Additionally, compliance with regulations may require certain types of training, which can be costly if not handled properly. Firms should carefully consider the costs and benefits of training programs to ensure they are making the best use of their resources.

In conclusion, training is an important aspect of doing business. Firms that invest in training their employees are more likely to succeed in today's competitive marketplace. Training can help firms meet regulatory requirements, improve employee performance, and enhance the overall value of the firm.
3. オーストラリア

(1) 評価人登録規制 2003（クイーンズランド州）
Valuers Registration Regulation 2003

| 作成目的・背景 | 本規制は、評価人の登録制度に関する規則を定めたもの。 |
| 構成・概要 | 登録した評価人の倫理規定として、クライアントへの責務、行動規範、報酬料に関するガイドラインの他、継続教育について規定している。 |
| 本文に関連する条文・記述 | 第 15 条（1992 年評価人登録法の第 36 条 B に関連） |

(1) 継続教育について
   (a) 理事会が適切と見なす継続教育に 10 時間以上を要する。適切な継続教育とは、例として以下のとおり。
   a. 専門団体等のセミナー、会議などへの出席
   b. 不動産に関する論文の提示
   c. 不動産に関する原稿の出版
   d. 専門団体等の委員会における地位の保持
   e. 不動産に関する正式な教育の実施
   f. 不動産について、教材を用いた非公式な教育の実施

   (b) 理事会への下記の提出物も含まれる。
   a. 過去 12か月の間に完成した 2 つ以上の評価書
   b. 上記 (a) を行えなかった理由

   (2) ただし、上記 (1) (b) を 2 年連続では行えない。

   (3) 理事会は、次年度 7 月 1 日から更新登録に必要な継続教育については、5 月 1 日以前に各登録評価人へ文書で送る必要がある。
Valuers Registration Act 1992

Valuers Registration Regulation 2003

Reprinted as in force on 1 August 2011

Reprint No. 2F
Information about this reprint

This legislation is reprinted as at 1 August 2011. The reprint shows the law as amended by all amendments that commenced on or before that day (Reprints Act 1992 s 5(6)).

The reprint includes a reference to the law by which each amendment was made—see list of legislation and list of annotations in endnotes. Also see list of legislation for any uncommenced amendments.

This page is specific to this reprint. See previous reprints for information about earlier changes made under the Reprints Act 1992. A table of reprints is included in the endnotes.

Also see endnotes for information about—
- when provisions commenced
- editorial changes made in earlier reprints.

Spelling

The spelling of certain words or phrases may be inconsistent in this reprint or with other reprints because of changes made in various editions of the Macquarie Dictionary (for example, in the dictionary, ‘judgement’ has replaced ‘judgment’). Variations of spelling will be updated in the next authorised reprint.

Dates shown on reprints

Reprints dated as last amendment All reprints produced on or after 1 July 2002, authorised (that is, hard copy) and unauthorised (that is, electronic), are dated as at the last date of amendment. Previously reprints were dated as at the date of publication. If an authorised reprint is dated earlier than an unauthorised version published before 1 July 2002, it means the legislation was not further amended and the reprint date is the commencement of the last amendment.

If the date of an authorised reprint is the same as the date shown for an unauthorised version previously published, it merely means that the unauthorised version was published before the authorised version. Also, any revised edition of the previously published unauthorised version will have the same date as that version.

Replacement reprint date If the date of an authorised reprint is the same as the date shown on another authorised reprint it means that one is the replacement of the other.
# Valuers Registration Regulation 2003

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Valuers Registration Regulation 2003

[as amended by all amendments that commenced on or before 1 August 2011]

Part 1 Preliminary

1 Short title

This regulation may be cited as the Valuers Registration Regulation 2003.

2 Commencement

This regulation commences on 1 September 2003.

Part 2 Code of professional conduct

Division 1 Duty to client

3 Act in client's interest

A registered valuer, in making a valuation for a client—

(a) must act in the client’s interest; and

(b) must not do anything that—

(i) benefits the valuer or another person without benefiting the client; or

(ii) disadvantages the client.
4 Confidentiality

(1) A registered valuer must not—

(a) disclose to a person other than the client details of a valuation made for the client; or

(b) make use of the information contained in the valuation other than for the client's benefit.

(2) Subsection (1)(a) does not apply if—

(a) the client gives the valuer written permission to disclose the details; or

(b) the valuer is required by law to disclose the details.

5 Disclosure of Interest

(1) A registered valuer may make a valuation, for a client, of land in which the valuer has a direct or indirect interest only if—

(a) the valuer gives the client details of the valuer's interest; and

(b) the client, after receiving the details, gives the valuer written approval to make the valuation.

(2) In this section—

direct or indirect interest, in land, includes an interest in the improvements in relation to the land.

improvements means site improvements or non-site improvements within the meaning of the Land Valuation Act 2010.

6 Certificate of registration

A registered valuer must display the valuer's certificate of registration in the valuer's place of business at any time the valuer is carrying on the business of a registered valuer.
Division 2  Professional responsibility

7  Code of professional conduct—Act, s 66

(1) For section 66(2) of the Act, the code of professional conduct is

(a) if the board approves a code of professional conduct (the approved code) the approved code; or

(b) otherwise- the API code.

(2) If subsection (1)(a) applies, the board must

(a) publish the approved code on the board’s website; and

Editor’s note

The board’s website is at <www.valuersboard.qld.gov.au>.

(b) keep copies of the approved code available for inspection at the board’s office by members of the public during business hours; and

Editor’s note—

The board’s office is located at 10 George Street, Brisbane.

(c) give registered valuers written notice of the approval of the code and any amendment of it.

(3) The approved code, or any amendment of it, takes effect from the day stated in the notice.

(4) The day stated in the notice must be at least 30 days after the board gives registered valuers notice of the approval or amendment.

(5) In this section—

API code means the Australian Property Institute’s Code of Ethics and Rules of Conduct, stated in the publication ‘Professional Practice’ published jointly by the Australian Property Institute and the New Zealand Property Institute.

Editor’s note

A copy of the API code may be purchased from the Australian Property Institute at level 2, 131 Leichhardt Street, Spring Hill.
7A Complying with code of professional conduct

A registered valuer in making a valuation must comply with the code of professional conduct that applies when the valuer receives instructions to make the valuation, including taking all necessary steps to obtain and verify factual data that may affect the valuation.

8 No predetermined result of valuation

A registered valuer must not make a valuation if the instructions to make the valuation require a predetermined result.

9 Qualifications and experience

A registered valuer must not make a valuation, for which the valuer does not have the qualifications and experience, other than under the supervision of another valuer who has the qualifications and experience.

10 Valuation report

(1) A registered valuer who prepares a valuation report must include the following in the report—

(a) details of the valuer's qualifications relevant to the valuation;

(b) the valuer's number in the register;

(c) for the subject of the valuation report—

(i) the date of each inspection carried out by the valuer; and

(ii) the date the valuation was made.

(2) The registered valuer must sign and date the report.
11 Advertising

(1) A registered valuer must ensure that an advertisement about a service provided by the valuer
   (a) would not be likely to create false expectations about the result of the service; and
   (b) is not misleading.

(2) A registered valuer must not advertise in a way that, directly or indirectly, injures the professional reputation of another valuer or damages the valuation profession.

12 Statements about another valuer or the profession

A registered valuer must not make a statement to another person, about the professional reputation of another valuer or the valuation profession, that is—

(a) false, malicious or misleading; or

(b) made without good faith and intended, directly or indirectly, to injure the professional reputation of the other valuer or to damage the profession.

Division 3 Professional fees

13 Professional fees generally

(1) A registered valuer who makes a valuation must not charge, for the valuation, a fee—
   (a) based on a stated outcome; or
   (b) that might reasonably be expected to prejudice the valuer's advice as an independent expert.

(2) A registered valuer must, if asked by a client, give the client information about the way in which a fee charged for a valuation is calculated.
14  No contingency fees

(1)  A registered valuer who makes a valuation that may be used to decide the amount of compensation to be paid to a person, must not—

(a)  make payment of the fee for the valuation contingent on the amount of compensation; or

(b)  fix a fee for the valuation as a percentage of the amount of compensation.

(2)  A registered valuer who makes a valuation to be used to decide the rates or other charges to be levied on land, must not make payment of the fee for the valuation contingent on the result of a proceeding about the correctness of the valuation.

Part 3  Miscellaneous provisions

Division 1  Continuing professional development

15  CPD—Act, s 36B

(1)  For section 36B(1)(a) of the Act, CPD is

(a)  at least 10 hours spent on the type of CPD the board considers suitable, including, for example, the following types of CPD—

(i)  attending seminars, conferences, workshops, field days or addresses about property matters, conducted by professional organisations, industry bodies or employers;

(ii)  preparing and presenting papers about property matters;

(iii)  writing and circulating or publishing articles about property matters;
(iv) holding positions on committees of professional or property industry bodies or organisations;

(v) undertaking formal education about property matters;

(vi) undertaking informal education about property matters by perusing appropriate journals or using audio or visual tapes; or

(b) giving the board

(i) at least 2 valuation reports completed during the previous 12 months; and

(ii) reasons for not acting under paragraph (a).

(2) However, a registered valuer must not undertake the CPD mentioned in subsection (1)(b) in 2 consecutive years.

(3) The board must, before 1 May in each year, give each registered valuer written notice of the type of CPD the board considers suitable for the renewal of the valuer’s registration for the financial year beginning on 1 July of the following year.

16 Amount of CPD—Act, s 42FA

For section 42FA(b) of the Act, the amount of CPD is 5 hours.

Division 2 Other miscellaneous provisions

17 Prescribed institutes

For sections 30(b)(i) and 36B(1)(b) of the Act, each of the following entities is a prescribed institute—

(a) the Australian Property Institute;

(b) the New Zealand Property Institute;

(c) the Royal Institution of Chartered Surveyors;

(d) the Singapore Institute of Surveyors and Valuers.
18 Fees

The fees payable under the Act are stated in the schedule.

Part 4

Transitional provision for
Valuers Registration Amendment Regulation (No. 1) 2006

19 CPD undertaken for renewal of registration

(1) Despite the amendment of section 15 by the amending regulation, that section, as in force before the commencement of this section, applies to CPD undertaken by a registered valuer for the renewal of the valuer’s registration for the financial year beginning on 1 July 2006.

(2) In this section

amending regulation means the Valuers Registration Amendment Regulation (No. 1) 2006.
Schedule Fees

section 18

1. Application for registration as a valuer (Act, s 29(1)) .......................... $188.30
2. Certificate of registration (Act, s 34(1)) .......................... 54.15
3. Roll fee (Act, s 36(1)) ........................................ 188.30
4. Late fee (Act, s 36(2)) ........................................ 54.15
5. Late fee (Act, s 36B(2)) ........................................ 54.15
6. Application for restoration of registration as a valuer (Act, s 40(2)) .......... 188.30
7. Application to be recorded on list of specialist retail valuers (Act, s 42B(2)) .......................... 188.30
8. Application for renewal of recording on list of specialist retail valuers (Act, s 42BA) ........................................ 188.30
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1 Index to endnotes

2 Date to which amendments incorporated

This is the reprint date mentioned in the Reprints Act 1992, section 5(2). Accordingly, this reprint includes all amendments that commenced operation on or before 1 August 2011. Future amendments of the Valuers Registration Regulation 2003 may be made in accordance with this reprint under the Reprints Act 1992, section 49.

3 Key

Key to abbreviations in list of legislation and annotations.

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Reprint PE effective 1 August 2011
4 Table of reprints

Reprints are issued for both future and past effective dates. For the most up-to-date table of reprints, see the reprint with the latest effective date.

If a reprint number includes a letter of the alphabet, the reprint was released in unaudited, electronic form only.

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5 List of legislation

**Valuers Registration Regulation 2003 SL No. 194**

made by the Governor in Council on 21 August 2004

notified in the Government Gazette on 22 August 2004 pp 1372–5

ss 1–2 commenced on date of notification

remaining provisions commenced 1 September 2003 (see s 2)

exp 1 September 2013 (see SIA s 54)

Notes — (1) The expiry date may have changed since this reprint was published. See the latest reprint of the SIR for any change.

(2) A regulatory impact statement and explanatory note were prepared.

amending legislation —

**Natural Resources, Mines and Energy Legislation Amendment Regulation (No. 1) 2004 SL No. 67**

notified in the Government Gazette on 26 May 2004 pp 277–30

ss 1–2 commenced on date of notification

remaining provisions commenced 1 July 2004 (see s 2)

**Valuers Registration Amendment Regulation (No. 1) 2004 SL No. 189**

notified in the Government Gazette on 7 September 2004 pp 349–50

ss 1–2 commenced on date of notification

remaining provisions commenced 27 September 2004 (see s 2)

Note: A regulatory impact statement and explanatory note were prepared.
Valuers Registration Regulation 2003

Endnotes

Natural Resources and Mines Legislation Amendment Regulation (No. 1) 2005 SL No. 103 pts 1, 17
notif gaz 3 June 2005 pp 415-19
ss 1-2 commenced on date of notification
remaining provisions commenced 1 July 2005 (see s 2)

Valuers Registration Amendment Regulation (No. 1) 2006 SL No. 7
notif gaz 3 February 2006 pp 426-7
ss 1-2 commenced on date of notification
remaining provisions commenced 6 February 2006 (see s 2)

Natural Resources Legislation Amendment Regulation (No. 1) 2006 SL No. 110 pts 1, 18
notif gaz 2 June 2006 pp 572-6
ss 1-2 commenced on date of notification
remaining provisions commenced 1 July 2006 (see s 2)

Natural Resources and Water Legislation Amendment Regulation (No. 1) 2007 SL No. 98 pts 1, 19
notif gaz 1 June 2007 pp 882-4
ss 1-2 commenced on date of notification
remaining provisions commenced 1 July 2007 (see s 2)

Natural Resources and Water Legislation Amendment Regulation (No. 1) 2008 SL No. 149 pts 1, 20
notif gaz 6 June 2008 pp 860-2
ss 1-2 commenced on date of notification
remaining provisions commenced 1 July 2008 (see s 2)

Natural Resources and Water Legislation Amendment Regulation (No. 1) 2009 SL No. 137 pts 1, 20
notif gaz 3 July 2009 pp 934-6
ss 1-2 commenced on date of notification
remaining provisions commenced 1 August 2009 (see s 2)

Environment and Resource Management Legislation Amendment Regulation (No. 2) 2010 SL No. 162 pts 1, 20
notif gaz 2 July 2010 pp 1033-7
ss 1-2 commenced on date of notification
remaining provisions commenced 1 August 2010 (see s 2)

Land Valuation Act 2010 No. 39 ss 1, 32A sch 1 pt 2
date of assent 2C September 2010
commenced on date of assent

Environment and Resource Management Legislation Amendment Regulation (No. 1) 2011 SL No. 135 pts 1, 20
notif gaz 9 July 2011 pp 632-5
ss 1-2 commenced on date of notification
remaining provisions commenced 1 August 2011 (see s 2)
Note An explanatory note was prepared.
6  List of annotations

Disclosure of interest
s 5  and 2006 SL No. 7 s 4; 2010 Act No. 39 s 325 sch 1 pt 2

Code of professional conduct—Act, s 66
s 7  sub 2006 SL No. 7 s 5

Complying with code of professional conduct
s 7A  ins 2006 SL No. 7 s 5

Valuation report
s 10  sub 2006 SL No. 7 s 6

Statements about another valuer or the profession
s 12  and 2006 SL No. 7 s 7

CPD—Act, s 36B
s 15  and 2006 SL No. 7 s 8

Fees
s 18  and 2004 SL No. 67 s 40

PART 4—TRANSITIONAL PROVISION FOR VALUERS REGISTRATION AMENDMENT REGULATIONS (No. 1) 2006
pt 4 (s 19) ins 2006 SL No. 7 s 9

SCHEDULE—FEES
sub 2004 SL No. 67 s 41; 2004 SL No. 189 s 4; 2004 SL No. 104 s 36; 2006 SL No. 110 s 38; 2007 SL No. 98 s 22; 2008 SL No. 149 s 23; 2009 SL No. 137 s 26; 2010 SL No. 162 s 44; 2011 SL No. 135 s 47
（２）入会及び更新指針（API）
Membership Entry and Advancement Policy

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| 本文に関連する条文・記述 | 第 3.0 条（申込手続）
会員への申請及び別種別への昇級への申請は、申請者の居住する州所在の支社、ウェブサイトから申込書を入手する。
申請できる会員種別は以下のとおり。
  a）学生会員
  b）暫定的な会員
  c）準会員
  d）上級会員

第 4.0 条（不服申立の手続き）
実務面接で不合格になった申請者は、正式通知後 28 日以内に不服申立の権利を行使できる。 |
MEMBERSHIP ENTRY AND ADVANCEMENT POLICY

Effective as at 1 March 2011

Australian Property Institute
National Office
G-Corporon Street
Deakin ACT 2600
ABN 79 007 995 868

Telephone: 02 6282 2411
Facsimile: 02 6285 2194
Email: national@api.org.au
Website: www.api.org.au
As prescribed by Clause 4.1.1 of the Constitution, National Council will oversee the management and operation of the Institute and the superimposed policy making body for the Australian Property Institute. Divisions are required to comply with policies developed by National Council with the exception being when compliance results in a breach of State legislative requirements. In developing policy that complies with State Legislation, Divisions are requested to mirror national policy.

MEMBERSHIP APPLICATIONS POLICY

1.0 Introduction

The Institute's Constitution and By-laws detail the requirements and procedures in relation to Membership of the Institute as follows.

- Membership
- Admission to Membership and Advancement of Status
- Certification & Designation
- Associate Membership
- Honorary Membership
- Life Membership
- Use of Membership Titles
- Use of Certifications & Designations
- Membership Generally

Applications for Admission to Membership of the Institute or Advancement to Another Class of Membership shall be by means of the "API Membership Application Form" for the appropriate category of membership.

The conditions and requirements for Membership shall be as outlined in the relevant Application Form and "Explanatory Notes for Application for Membership" which form an integral part of the Institute's Membership Application Process & Procedures with which Applicants shall comply.

2.0 Policy Statement

The purpose of this Policy is to provide a public statement as to the Institute's general procedures and processes for the application for Admission to Membership or Advancement to Another Class of Membership, and more specifically the Appeal Process available to Applicants who are not successful with the Professional Interview.
3.0 Application Process

3.1 Applications for the Admission to Membership and/or Advancement to another Class of Membership shall be made on the prescribed Application Form available from the Divisional Office, or online, in the State in which the applicant is domiciled.

3.2 Applicants for:

a) Student Membership

b) Provisional Associate Membership (Membership class is being phased out)

c) Graduate Membership (Membership class is being phased out)

d) Provisional Membership

- Provisional Membership with Residential Property Value designation

e) Associate Membership:

- Associate Membership with a certification

f) Advancement to Fellow:

shall also be provided with the appropriate Preliminary Notes which provide details of the requirements for Membership of the Institute or the Advancement to another Class of Membership.

3.3 The completed and signed Application Form, together with information and documents required therein, and the appropriate Application Fee may be lodged either in person or directed to the relevant Division.

3.4 After review of the Application Form and an audit to ensure that it is complete and inclusive of all requested information and documents, all satisfactory Applicant forms shall be referred to the Divisional Membership Committee for further processing.

3.5 The Divisional Membership Committee having confirmed that the Applicant's Application complied with the requisite requirements would then file the case of:

3.5.1 Student, Provisional Associate, Graduate and Provisional membership applications received by 31st January to the Divisional Office in Memberships of the Institute.

3.5.2 Provisional Membership with the Residential Property Value designation and Associate membership applications will refer the Applicant to a professional interview and/or practical test and/or such other tests as may be determined by the Institute.

3.5.3 An application for Advancement to Fellow may refer the Applicant to a Professional Interview conducted by at least two Fellow Members.

3.6 Where the Applicant has satisfactorily passed the Professional Interview conducted by at least two Fellows and is recommended accordingly, the Divisional Membership Committee shall then provide a recommendation to the Institute Council that the Applicant be admitted to Institute Membership or be granted advancement to another Class of Membership.

3.7 In all cases the Divisional Counsel will consider the recommendations of the Divisional Membership Committee but may require the Council in regard to any application from any other source. The Executive Officer shall notify the applicant of the decision as soon as possible.

3.8 Successful applicants, other than for Affiliate Membership, may be required to attend a Membership Induction session in their first year of Membership.
3.9 The Professional Interview shall be conducted as indicated below.

3.9.1 The Professional Interview, practical test and/or such other test[s] will be conducted by a Panel of at least two Members or two Members of the same qualification, if necessary, as applied for by the Applicant.

3.9.2 The Interview Panel is required to complete the interview in accordance with the Examiner's Notes. In the case of an unsatisfactory performance, a written record of the applicant's performance against each criterion is to be maintained. This is to be sufficiently detailed so that it may be assessed at some later time to assist in an unsatisfactory applicant.

3.9.3 The interview process for admission as Manager may be conducted at the same time if the applicant is simultaneously applying for a Certification or Designation.

3.9.4 An Applicant who is unsuccessful at the Professional Interview

[...]

b) Shall be advised in writing by the Divisional Executive Officer and shall be advised of the areas reviewed by the Interview Panel as required by the examiner.

3.10 Appeal Process

4.1 An applicant who is unsuccessful at the Professional Interview will have a right of appeal and will be allowed 28 days after formal notification to exercise this right.

4.2 The appeal must be in writing directed to the Divisional Executive Officer and accompanied by whatever documentation is prescribed by the Divisional Council.

4.3 An applicant who does not exercise the right of appeal will stand deferred for a period of at least 6 months from the date of the previous interview.

4.4 If an appeal is sustained, the Divisional Council, in its absolute discretion, may remit in whole or in part the fee in respect of the examination.

4.5 Where notice of an appeal is given, the Division's Membership Committee will arrange for a post examination to be conducted at a date and in a convenient location, and at least two examiners to be appointed to conduct the post examination (but excluding those who conducted the original test or tests).

4.6 An applicant who fails the post examination will not be permitted to present for another test or tests until a period of 12 months has elapsed from the date of the previous post examination.

4.7 An applicant who is unsuccessful at three attempts at the professional interview must show cause to the Divisional Council and be subsequently recommended by the Divisional Council to be eligible for another professional interview.

4.8 Subject to the appeal process outlined in 4.7 above, the decision of the Divisional Council shall be final, except that a member of the applicant is satisfied with the Divisional Council's decision may appeal to the National Council as allowed in Section 13.5 of the By-Laws.

4.9 Any decision made by National Council in relation to an appeal lodged by a Member against a decision of their Divisional Council shall be final and binding with there being no further avenue of appeal. There shall be no further discussion and/or correspondence entered into in relation to this matter.
5.0 Relevant Documentation

5.1 The following documents are applicable to the Institute Members' Application Procedure:

5.1.1 AFI Membership Application Form for admission to Membership or advancement to another class of Membership for Graduate, Provisional Associate, Provisional Member and Associate.

5.1.2 AFI Membership Application Form for Affiliation as a Student Member.

5.1.3 Application Form for advancement to Fellow.

5.1.4 Explanatory Notes on application for:

(a) Staff Membership;

(b) Associate Membership with Certification in Part or Full.

(b) Associate Membership with Certified Practising Valuer (Plant and Machinery) Certification.

(c) Provisional Membership:

(c) Provisional Membership with Residential Property Valuer designation.

(c) Provisional Member (being phased out).

(d) Provisional Associate (being phased out) or

(e) Advancement to Fellow.

5.2 To assist the Divisions with the Pro forma interview process, the following pro forma are made available:

5.2.1 Professional interview Sheet. [Attachment 1]

5.2.2 Letter to Applicants who were not successful—the Professional interview. [Attachment 2]

6.0 Privacy and Code of Conduct Declaration

6.1 Privacy

In accordance with Bye-Law Section 18 5.6 "Positions will adhere to the provision of privacy legislation in respect of personal information supplied by applicants, or provided in referees' reports."

6.2 Code of Conduct Declaration

A Code of Conduct Declaration has been developed as part of National Policy 10, Code of Conduct for Councils, Boards, Committees, Panels and Groups—defined and included in the term 'Committee(s)."

This Declaration deals with the principles and behaviour expected of Members appointed to a Committee.

The Declaration enunciates the Institute's expectations of Members in relation to:

- Part-time;
- Confidentiality;
- Conflict of interest; and
- Privacy;

and as such forms an integral part of the Policy and is attached hereto as Attachment 3.

It shall be a requirement for this Declaration to be issued to, accepted and signed by any and all members of Members' Boards and Committees, and all Examiners.

7.0 Certificate of Membership

Every Life Fellow, Fellow, Associate, Graduate, Provisional Associate, Provisional Member and other Members as the National Council may determine, will be entitled to obtain a certificate of Membership subject to any conditions that the National Council may determine, and on payment of any fees or other sums that the National Council may determine.
The certificate will include the full legal name of the individual.

3.0 Policy Review

All API policies will be reviewed regularly. Any changes to this policy will be notified in writing.

Policy End
4. シンガポール

(1) 鑑定人法
Appraisers Act

<table>
<thead>
<tr>
<th>作成目的・背景</th>
<th>鑑定人の免許について規定したもの</th>
</tr>
</thead>
<tbody>
<tr>
<td>構成・概要</td>
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<td>本文に関連する条文・記述</td>
<td>第6条（免許発行権限者）固定資産税局長が鑑定士の免許発行権限を有する。</td>
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Appraisers Act
(CHAPTER 16)

Long Title

1. Short Title
2. Definition of appraiser
3. (Repealed)
4. Appraisers to be licensed
5. (Repealed)
6. A Power in general terms
7. Licences
8. 21 Appointment of officers of courts in levies not exceeding $100
9. Exception
10. Refusal and cancellation of licenses
11. Evidence of misconduct
12. Offences triable by District Court
13. Power to make regulations

FIRST SCHEDULE
SECOND SCHEDULE
Legislative History
Comparative Table

APPRAISERS ACT
(CHAPTER 16)
(Original Enactment: Ordinance 10 of 1906)

REVISED EDITION 2000
(31st December 2000)

An Act to provide for the licensing of appraisers.

[1st July 1906]

Short title

1. This Act may be cited as the Appraisers Act.

Definition of appraiser

2. Every person who values or appraises —

(a) any estate or property, lands, tenements or hereditaments, or any interest in possession or reversion, remainder or contingency in any estate or property, movable
or immovable; or

(b) any goods, merchandise or effects of whatsoever kind or description,

for or on expectation of any hire, gain, fee or reward or valuable consideration to be paid to him therefore shall be deemed to carry on the business of an appraiser, and shall be an appraiser within the meaning of this Act.

3. [Repealed by Act 25/2010 w.e.f. 22/11/2010]

Appraisers to be licensed

4. Every appraiser shall take out a licence in Form A in the First Schedule.

5. [Repealed by Act 25/2010 w.e.f. 22/11/2010]

Power to grant licences

6. (1) The Comptroller of Property Tax is empowered to grant licences under the provisions of this Act.

(2) Every licence granted under this Act shall be granted under the hand of the Comptroller of Property Tax.

(3) The issue of any licence shall be notified as soon as possible in the Gazette.

(4) On every such licence there shall be paid in money by the person taking out or renewing the licence to the Comptroller of Property Tax such fee as may be prescribed by the Minister in respect of the class of licence to which the licence belongs.

(5) No licence shall be granted or renewed under this Act until such fee has first been paid.

(6) The Minister may, from time to time, prescribe such fees as are referred to in subsection (4) by order to be published in the Gazette and may prescribe different fees for different classes of licences.

Licences

7. (1) Every licence to be taken out under the authority of this Act shall contain and set forth —

(a) the purpose, trade or business for which the licence is granted;
(b) the true name and place of abode of the person taking it out;
(c) the true date or time of granting the licence; and
(d) the principal place of business at which the trade or business for which the licence is granted shall be carried on.

(2) Every licence shall expire on 31st December and shall be renewed annually 10 days at least before the expiration of the licence.
(3) Any person who—

(a) having had such a licence continues to carry on the trade or business for which the licence was granted in the year next ensuing its expiration and omits to renew it; and

(b) carries on a trade or business required by this Act to be licensed without taking out a licence,

shall, except as provided in this Act, each be guilty of an offence and shall be liable on conviction to a fine not exceeding $2,000.

§ 8 and 9

Exemption of officers of courts in levies not exceeding $100

8. It shall not be necessary for any Sheriff, bailiff or other officer of a court, acting under the authority of the court and appraising any goods or chattels, whatever may be the value, or selling any goods or chattels, whether under writ of seizure and sale, distress or other writ or order—

(a) to levy a sum not exceeding $100, exclusive of expenses; or

(b) where the property to be sold is not expected to exceed $100,

to take out a licence as an appraiser under this Act.

§ 10

Exceptions

9.—(1) This Act shall not extend to require any appraiser of any property listed in the Second Schedule to take out a licence under this Act for that purpose.

§ 2008 as of 2008

(2) The Minister may, by order published in the Gazette, amend the Second Schedule.

§ 2005 as of 2005

Refusal and cancellation of licences

10. The Comptroller of Property Tax may refuse any application for a licence or to renew any licence, and may cancel the licence of any person who has been convicted of any offence under this Act or who has failed to account for or pay over any moneys or property which have come into his possession or control as such licensed person.

§ 14

Evidence of misconduct

11. The judgment of any court of competent jurisdiction whether civil or criminal, having the effect of finding that any licensed person—

(a) is liable or responsible for any money or property come into his possession or control as a licensed person under circumstances amounting to a breach of trust or duty; or

§ 2008 as of 2008

(b) has paid or agreed to pay to his employer any part of his charges or expenses by way of return commission when the employer is a person accountable to any other person for the proceeds of the sale,
shall be ground for the cancellation of his licence.

Offences triable by District Court

12. Any offence punishable under this Act may be tried by a District Court.

Power to make regulations

13. The Minister may make regulations necessary for or convenient in carrying out the provisions of this Act.

FIRST SCHEDULE

APPRAISERS ACT
(CHAPTER 16)

APPRASIER'S LICENCE

Subject to the provisions of the Appraisers Act and all regulations made thereunder

residing at

and carrying on the business of

is hereby licensed to carry on the business of an

appraiser at his place of business

This licence will continue in force until 31st December , unless previously cancelled under section 10 of the Act.

Given under my hand this day of 70 .

Comptroller of Property Tax

Prescribed fee of $ paid.

SECOND SCHEDULE

Section 9(1)(c) and (12)

1. Motor vehicles
2. Cargoes
3. Ships
4. Machinery of ships.
5. Hulk art.
6. Cargo and marine insurance.
7. Loss adjustment adjustment of cargo casualty or loss adjustment for fire, work injury compensation, burglary or insurance claims.

8. Plants, machinery and equipment.
9. Gems, gold and jewellery.
10. General merchandise and consumer goods.
11. Numismatic and philatelic items, works of art, collectibles and antiques.
12. Carpets.
13. Fine and rare wines.
14. Tangible goods.
15. Aeroplanes and aircraft.

LEGISLATIVE HISTORY

APPRAISERS ACT
(CHAPTER 16)

This Legislative History is provided for the convenience of users of the Appraisers Act. It is not part of the Act.

1. Ordinance X of 1906—Auctioneers’ Licences Ordinance 1906
   Date of First, Second and Third Readings
   Date of commencement
2. Ordinance XXI of 1906—Auctioneers’ Licences Amendment Ordinance 1906
   Date of First, Second and Third Readings
   Date of commencement
3. Ordinance 32 of 1949—Auctioneers’ Licences (Amendment) Ordinance 1949
   Date of First Reading
   Date of Second and Third Readings
   Date of commencement
4. Ordinance 3 of 1950—Auctioneers’ Licences (Amendment) Ordinance 1950
   Date of First Reading
   Date of Second and Third Readings
   Date of commencement
5. **Ordinance 37 of 1952—Law Revision (Penalties Amendment) Ordinance 1952**

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6. **Ordinance 33 of 1954—Auctioneers' Licences Ordinance 1954**

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7. **Ordinance 71 of 1959—Transfer of Powers Ordinance 1959**

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8. **Ordinance 5 of 1963—Auctioneers' Licences (Amendment) Ordinance 1963**

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| Date of operation | : 31 July 1978 |


| Date of operation | : 30 March 1985 |


<table>
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   Date of operation: 30 December 2000

   Date of First Reading: 19 October 2004
   (Bill No. 65/2004 published on 20 October 2004)
   Date of Second and Third Readings: 25 January 2005
   Date of commencement: 1 April 2005

   (Consequential amendments made to Act by)
   Date of First Reading: 12 November 2007
   (Bill No. 50/2007 published on 13 November 2007)
   Date of Second and Third Readings: 22 January 2008
   Date of commencement: 1 April 2008

   (Consequential amendments made to Act by)
   Date of First Reading: 16 August 2010
   (Bill No. 19/2010 published on 16 August 2010)
   Date of Second and Third Readings: 15 September 2010
   Date of commencement: 22 October 2010

COMPARATIVE TABLE

APPRAISERS ACT
   (CHAP. 16)

The following provisions in the 1985 Revised Edition of the Appraisers Agents Act have been reconsidered by the Law Revision Commissioners in this 2000 Revised Edition.

This Comparative Table is provided for the convenience of users. It is not part of the Appraisers Act.

<table>
<thead>
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<td>17—(4)</td>
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(6)
7— (1)
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(3)

(5)
8
9 (1)
(2)

10
11 (Repealed by Act 22/2009)
12 (Repealed by Act 22/2009)

9
10
11
12
13
14
15
16
18
Application for Appraiser’s License

<table>
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<tr>
<th>基本内容</th>
<th>鑑定人の免許申請に関する書類。</th>
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</thead>
<tbody>
<tr>
<td>構成・概要</td>
<td>鑑定人の免許申請にあたっての必要要件が記載されている。</td>
</tr>
</tbody>
</table>

本文に関連する条文・記述

1. シンガポール国立大学の不動産学部の学位、または同等の学位を有すること。
2. シンガポール・サーベイヤーズ及び評価人協会のメンバー会員（MSISV）またはフェロー会員（FSISV）であること。
3. 認可鑑定人のもとで1年以上の実務経験を有すること。等。
For real estate and legal professionals

Application for Appraiser's Licence

A person who appraises land and building must apply for an appraiser's licence. All appraiser's licence will expire on 31 Dec of each calendar year i.e. if the applicant obtains his licence on 2 Jan 2013, the licence will expire on 31 Dec 2013.

New Applicants

Who can register

The applicant must fulfill the following conditions:

An individual who holds a degree in Real Estate from NUS or equivalent

An individual who holds one of these two classes of Singapore Institute of Surveyors and Valuers (SISV) membership Fellow and Member.

With effect from 1 Jan 2014, an applicant with Probationer membership is not eligible for this application.

See application details for SISV membership.

How to register

1. Download the form Appraiser's Licence (Lands and Buildings) (115KB)

2. Submit the form with the supporting documents (as stated in the form) to:
   The Comptroller of Property Tax
   Appraiser Licensing Unit
Inland Revenue Authority of Singapore
55 Newton Road
Singapore 307967

What happens if there is a change of employer

The appraiser’s licence is issued to the appraiser acting on behalf of the employer. If there has been a change in the appraiser’s employer, the following documents have to be submitted:

- Letter from the present company to state the effective date which the appraiser will be acting on behalf of the company
- Original Appraiser’s Licence has to be returned

An administrative fee of $20 payable by cheque is to be made payable to the Comptroller of Property Tax.

Renewal of Appraiser’s Licence

When do I renew the Appraiser’s licence

All licences have to be renewed annually at least 10 days before the expiry of the licence on 31 Dec of each calendar year. In short, the last day to renew your licence is 21 Dec. If your licence has expired after 31 Dec, you would have to re-apply for a new licence.

*Existing licence holders with S'pore's Probationer Membership can continue to renew their Appraiser Licence.

How to renew

1. Download the form Appraiser’s Licence (Lands and Buildings) Renewal (201KB)
2. Submit the form with the relevant supporting documents (as stated in the form) to:
   The Comptroller of Property Tax
   Appraiser Licensing Unit
   Inland Revenue Authority of Singapore
   55 Newton Road, Singapore 307967
How much do I need to pay for the licence

Licence fee of $25 to be made payable to the Comptroller of Property Tax when you are informed that your application is successful.

Can I pay by GIRO

No, GIRO payment is not available as an application for renewal requires the submission of supporting documents.

How long does it take to process my application

It takes four weeks to process an application.

How to search for Licensed Appraiser

This search facility provides a listing of licensed appraisers.

1. Search for a licensed appraiser.
2. Enter the name of the appraiser whom you are searching and click Query.

Contact Information

If you have any further enquiries please contact +65 6351 2465 or +65 6351 2451 or email us.

Related Items

- Tax Application for forms
  - Appraiser's Licence (1 and Buildings) (115KB)
  - Appraiser's Licence (Lands and Buildings) Renewal (20KB)
- e- Search for Licensed Service Appraisers

Rate this page

Strongly Dislike
APPRAISERS ACT (CAP 15)

COMPTROLLER OF PROPERTY TAX
55 NEWTON ROAD
REVENUE HOUSE
SINGAPORE 39787

Tel: 63512461 / 63512465 Fax: 63512465
Email: inas_pws_12@inas.gov.sg

APPLICATION FORM
APPRaiser's Licence FOR LANDS AND BUILDINGS

This form may take you about 15 minutes to fill in.

You will need the following documents and information to fill in the form:

(a) Copy of Real Estate degree certificate from NUS or its equivalent.
(b) Copy of Singapore Institute of Surveyors and Valuers (SISV)'s letter certifying your membership with the society.
(c) 2 sets of Appraiser Report prepared by you.
(d) A letter from the company where you will be acting as an appraiser for, verifying that you have the insurance of the licence you will be acting as an appraiser or valuer of the company.
(e) Details on past and present work experience.
(f) A testimonial from a licensed appraiser (please refer to page 4 of the application form).

Please attach the above documents for our processing.

Please note that:

(a) An Appraiser's Licence is issued to an individual only.
(b) Applicants must have at least 1 year experience working under the supervision of a licensed appraiser.
(c) Applicant must have a Degree in Real Estate from NUS or its equivalent. Please submit a copy of the above certificate.
(d) Applicants must be a member of the Singapore Institute of Surveyors and Valuers (SISV).

The above information is intended for better general understanding and is not intended to comprehensively address all possible issues that may arise. The authority reserves the right to reject any application without providing reasons. The information is subject to change without notice. The applicant shall bear the cost of any such changes. The authority reserves the right to vary the process as and when necessary.

[Table]

**Personal Particulars of Applicant**

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<thead>
<tr>
<th>Name:</th>
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<tr>
<th>Date of Birth:</th>
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<tr>
<th>NRIC No/ FIN No. / Passport No.:</th>
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<th>Email address:</th>
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1 of 4
Details of Qualification and Work History

1. Qualification: Academic/Professional (Please attach copies of Certificate, Diploma etc.)

2. Please indicate the type of your SISV membership -
   *Probationary / Member / Fellow / Honorary Fellow.
   Please also enclose a copy of SISV's letter confirming your membership.
   *Delete where applicable

3. Past and present work experience.

<table>
<thead>
<tr>
<th>Period</th>
<th>Name/Address of Organisation</th>
<th>Position Held</th>
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4. Experience as appraiser (please give details and copies of testimonials, supporting documents etc)

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I hereby certify that the information given above is correct and true in every respect.

Name of Applicant: ____________________________

NRIC no./ Passport no./ FIN no.: ____________________________

Signature / Date: ____________________________
DECLARATION

COMPTROLLER OF PROPERTY TAX

I declare that:

a) I have not been convicted in a court of law in any country.

b) I have not been adjudicated a bankrupt.

c) I am not an undischarged bankrupt.

I certify that the above statement is correct in all material particulars.

Name of Applicant: ____________________________

NRIC no./ Passport no./ FIN no.: ____________________________

Signature / Date: ____________________________

* Delete if not applicable
  Provide details where applicable.
Note: This portion of the application form is a testimonial of the applicant given by a Licensed Appraiser.

COMPTROLLER OF PROPERTY TAX

Application for Appraiser’s Licence for Lands and Buildings

Name of Applicant: _______________________________

NRIC No./Passport No./FIN No.: _______________________

This is to certify that the above named person has been working under my supervision as a __________________________ since _______________________

Described below are details of duties that he/she is required to perform in the course of his/her employment.

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

He/She has demonstrated that he/she can competently discharge his/her duties and I hereby recommend that he/she be granted the Appraiser’s Licence for Lands and Buildings.

Name: _______________________________

NRIC no./Passport no./FIN No.: _______________________

Signature/Date: _______________________________

Appraiser’s Licence No: AD041-268____________________
| 作成目的・背景 | シンガポール・サーベイヤーズ及び評価人協会の会員登録要件等を定めたもの。 |
| 構成・概要 | シンガポール・サーベイヤーズ及び評価人協会の会員種類、会員登録要件等。 |
| 本文に関連する条文・記述 | 第4条4項（会員） |
|  | ・21歳以上であること |
|  | ・5年以上の高等教育を受け、そのうち2年はシンガポールの大大学で鑑定評価等の専門分野を研究・修了していること。または、|
|  | シンガポール・サーベイヤーズ及び評価人協会が実施する資格試験に合格していること。 |
|  | ・面接試験に合格すること |
CONDITIONS OF MEMBERSHIP

CONTENTS

Part I – Membership

- Objective
- Guidelines and General Conditions of Membership
- Admission to Membership
- Classes of Membership
- Application for Membership
- Confirmation of Membership
- Change of Address

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Part II – Rules of Examination

Page 2

Part III – Assessment of Professional Competence

Page 2

Part IV – Reciprocity Agreements

Page 3

Part V – Admission Procedures

Page 3

Note: This is to be retained by applicant for reference
The Singapore Institute of Surveyors and Valuers is referred to in this Council. The Institute comprises three (3) divisions, namely Land Surveyors (LS), Quantity Surveyors (QS) and Valuers and General Practice (VGP).

PART I—MEMBERSHIP

1.0 Objective

The main objective of the Institute is to secure the advancement and to facilitate the acquisition of the knowledge which constitutes the profession of Land Surveyors, Quantity Surveyors, and Valuers and General Practice.

2.0 Guidelines and General Conditions of Membership

The general conditions of membership of the Institute shall be that no person shall be admitted as a member unless he or she is at the time of such admission:

- a professional Land Surveyor, Quantity Surveyor, Valuer and General Practice Surveyor, or
- a principal or partner of a firm practising as a Professional Land Surveyor, Professional Quantity Surveyor, Professional Valuer and General Practice Surveyor, or
- an employee of a Government or an individual practising as a Professional Land Surveyor, Professional Quantity Surveyor, Professional Valuer and General Practice Surveyor, or
- an employee of a Government or an individual practising as a Professional Land Surveyor, Professional Quantity Surveyor, Professional Valuer and General Practice Surveyor engaged in the full-time employment of the Institute.

3.0 Admission to Membership

3.1 Generally, admission to membership shall be by examination only.

3.1.1 The Council may grant exemption from examination to persons who are professionally qualified in comparable examinations conducted by public authorities or institutions of Land Surveyors, Quantity Surveyors, Valuers, and General Practice Surveyors.

3.2 The term of admission shall be determined by the Council on the basis of the qualifications and experience of the applicant.

3.3 The term of admission shall be for a period of not less than three (3) years.

4.0 Classes of Membership

4.1 Student

4.1.1 Persons eligible for admission shall be persons who have completed at least fifteen (15) years of age and shall have:
- undertaken full-time study at an academic institution approved by the Council,
- undertaken part-time study at an academic institution approved by the Council engaged in a relevant field.

4.2 The maximum period during which a person may remain a Student shall be limited to eight (8) years.

4.2 Technical Member

4.2.1 Persons eligible for admission shall be persons who have completed at least twenty-one (21) years of age and have completed a course of study at an approved institution.

4.2.2 Persons eligible for admission shall be persons who have completed a course of study at an approved institution.

4.3 Probationer

4.3.1 Persons who have completed a course of study at an approved institution shall have passed an examination acceptable by the Council in the subject of the examination, which examination may be approved by the Council.

4.3.2 Probationers shall be required to undergo the Assessment of Professional Competence (APC) as prescribed by the Council.

4.4.1 The maximum period during which a person may remain a Probationer shall be limited to ten (10) years.

4.4.2 No persons shall be admitted to the profession as a Member unless he has passed the examinations required for admission to the profession in accordance with the Rules of Examination, as approved by the Council.
4.4.3 Council may accept approved professional qualifications and/or practical experience in lieu of the whole or part of the prescribed examinations for Fellow.

4.4.4 Except as may be otherwise provided in these rules, admission as an Ordinary Member of the Institute shall be on the basis of having satisfied the requirements stated hereinunder Part IV – Assessment of Professional Competence.

4.5 Fellow

4.5.1 A Fellow shall be at least thirty-five (35) years of age and shall have:

(i) a degree from a University or tertiary institution with a minimum of a second-class degree, or an equivalent qualification,

(ii) at least five (5) years of professional experience as a principal or supervisory positions in a professional capacity, and

(iii) at least five (5) years in the Ministry of Finance or a related public authority.

4.5.2 A Fellow shall be eligible for admission in the class of Ordinary Members if he has passed the examination(s) prescribed for the examination(s) conducted by the Council and accepted by the Council in lieu thereof.

4.5.3 An applicant applying for the transfer to the class of Fellow shall be required to submit together with his application an organization chart specifying his present position in his/her place of work and a summary of his/her nature of work.

6.0 Application for Membership

6.1 The forms of providing documentary proof of the achievements stated in the application form is on the applicant. In this regard, all documents are required as follows:

- All documents submitted by an Ordinary Member or Fellow shall be in the correct form and format.

6.2 The qualifications, experience, and character of the applicant, shall be approved by the Council, subject to any additional examinations prescribed in the Bye-Laws of the Institute and without any prejudice thereto.

6.3 The Institute may reject any application for any reason, which is in its opinion inappropriate to the applicant's qualifications, and may refuse to accept the application if the appropriate date.

6.4 Procedures for admission is described in Part V – Admission Procedures.

6.5 Confirmation of Membership

6.1 Applicants shall be advised in writing by the Honorary Secretary or the Council of decision.

6.2 Upon confirmation of membership, an applicant shall receive an invitation to attend an Annual General Meeting (AGM), Library Administration, and Building Fund (as applicable), at which he shall be advised of the applicable T.GST (VAT) subject to change without prior notice.

6.3 Admission to membership shall be effective upon payment of the fees.

6.4 Honorary Fellows shall be exempted from payment of all fees.

7.0 Change of Address

A member whose change of address has been registered in writing.

PART II – RULES OF EXAMINATION

1. The examinations are conducted by the Council in accordance with Bye-Law 24 of this Institute.

2. The examination shall be conducted by the Council in accordance with Bye-Law 24 of this Institute.

PART III – ASSESSMENT OF PROFESSIONAL COMPETENCE

1. Applicants who join the Institute as Probationers at the time of their application are required to:

- To have a Diary and Log Book for a minimum period of twenty-two (22) months and submit for examination at the end of the period.

2. Once the applicant has been approved as a Probationer, he/she shall obtain a Diary and Log Book from the Secretarial Office at S$10 (including GST). The cost of the Diary and Log Book is subject to change without prior notice.

3. Upon completion of the required period, the Probationer is required to attend an interview for the Assessment of Professional Competence (APC) at a fee to be prescribed by the Institute from time to time.
PART IV – RECIPROCITY AGREEMENTS

1. Reciprocity Agreements are made with similar professional bodies in other countries. By a Reciprocity Agreement a Corporate Member in good standing with one Institute may be elected as a Member or Associate Member of the other Institute.

2. The Institute establishes membership reciprocity agreements with:

- Australian Institute of Quantity Surveyors (AQS)
  Extracted from the Reciprocity Agreement between AQS and SISV dated 23 June 1996. A corporate member (Associate or Fellow) of the AQS in good standing, may be elected as a Member of the SISV by the Division only.

- Australian Property Institute (API) (formerly known as Australian Institute of Valuers and Land Economists)
  Extracted from the Reciprocity Agreement between API and SISV dated 24 April 1985. A corporate member (Associate or Fellow) of the API in good standing, may be elected as a Member of the SISV by the Division only.

- Hong Kong Institute of Surveyors (HKIS)
  Extracted from the Reciprocity Agreement between HKIS and SISV dated 21 November 1991. A corporate member (Associate or Fellow) of the HKIS in good standing, may be elected as a Member of the SISV.

- Institution of Surveyors, Australia (ISA)
  Extracted from the Reciprocity Agreement between ISA and SISV dated 2 November 1995. A Corporate member (Associate or Fellow) of the ISA in good standing, may be elected as a Member of the SISV by the Division only.

- New Zealand Institute of Quantity Surveyors (NZIQS)
  Extracted from the Reciprocity Agreement between NZIQS and SISV dated 30 June 1987. A corporate member (Associate or Fellow) of the NZIQS in good standing, may be elected as a Member of the SISV by the Division only.

- New Zealand Property Institute (NZPI) (formerly known as New Zealand Institute of Valuers)
  Extracted from the Reciprocity Agreement between NZIV and SISV dated 24 April 1985. A corporate member (Associate or Fellow) of the NZIV in good standing, may be elected as a Member of the SISV by the Division only.

2. Conditions prescribed for the reciprocity agreements are as follows:

2.1 One (1) year of professional practice in SISV is required under the supervision and at the satisfaction of a corporate member of the Institute during which the applicant will be required to maintain a detailed record of his/her experience.

2.2 A professional review conducted by SISV to determine the applicant's knowledge of law and practice in the entire field.

2.3 Such personal review and professional evaluation shall be subject to the Bylaws and regulations of the Institute.

3. These reciprocity agreements could apply to any member who has been elected to membership by other codes through any other reciprocity agreements.

PART V – ADMISSION PROCEDURES

1. Any person desiring to be admitted as a member in any class of the Institute shall submit his/her application to the Secretary of the Institute in the form containing full details of the applicant.

2. The application shall be fully completed and shall be accompanied by the relevant documents as stated.

3. All applications must be accompanied by a fee of $100 or such other fee as may be prescribed by the Council.

4 Any Member desiring to be transferred to the class of Fellow shall be proposed and recommended on a formal form. This form must be accompanied by a statement detailing personal knowledge of the applicant by one of the following:

4.1 Three (3) Fellows of the Institute of whom at least two (2) are members of the petitioner Division and Member of the Council.

4.2 Two (2) Members of the Council of whom at least one shall be President of the applicant's relevant Division or Council.

5. Any application for admission and without the required supporting documents will not be accepted.

6. The Council of the Institute may at its absolute discretion refuse to admit any person to membership without giving the reason for such refusal.

7. All replies should be addressed to the Secretary.
MEMBERSHIP APPLICATION FORM

Every section is to be completed by Applicant. Incomplete form and/or information on relevant supporting documents may cause delay in the process of your application. Please tick where appropriate.

<table>
<thead>
<tr>
<th>Name of Applicant</th>
<th>O Fellow O Member O Practitioner O Student</th>
</tr>
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<tbody>
<tr>
<td>Ref No.</td>
<td>Membership Class</td>
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<td>Tel No.</td>
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SECTION 1: PERSONAL PARTICULARS

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<tr>
<th>Name in MAR/Passport (indicate sex)</th>
<th>English Name(s)</th>
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<tbody>
<tr>
<td>Dr. Mr./Ms. M.A.</td>
<td></td>
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Residence Permit No Date of Birth Age Citizenship Marital Status

Home Address Postal Code Home Tel No.

License No (if any)

Personal Email Phone/OFFICE

Division as of:

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<th>Current Area(s) of Professional Practice</th>
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<tr>
<td>☐ Engineering Surveying</td>
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<tr>
<td>☐ Hydrographic Surveying</td>
</tr>
<tr>
<td>☐ Quantity Surveying</td>
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<td>☐ Building Surveying</td>
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<tr>
<td>☐ Consultant QS</td>
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<td>☐ Contractor QS</td>
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<tr>
<td>☐ Valuation &amp; General Practice</td>
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<tr>
<td>☐ Valuation</td>
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<tr>
<td>☐ Property Management</td>
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<tr>
<td>☐ Agency &amp; Marketing</td>
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Core Area(s) of Professional Practice

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<tr>
<td>☐ Plant &amp; Machinery</td>
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<tr>
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<td>☐ Planning &amp; Development</td>
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<td>☐ Research &amp; Consultancy</td>
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<td>☐ Property Finance &amp; Investment</td>
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Optional Areas

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<td>☐ Research &amp; Consultancy</td>
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<td>☐ Property Finance &amp; Investment</td>
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*Permission is based on applicant's academic qualification*
**SECTION 2: ACADEMIC QUALIFICATION & DETAILS**

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### SECTION 3: PROFESSIONAL QUALIFICATIONS

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### SECTION 4: DETAILS OF POSITION(S) HELD IN THE INSTITUTE

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(For transfer to Fellow only)

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<th>Service in Council/District Council</th>
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### SECTION 5: PAST EMPLOYMENT

Submit additional info on a separate sheet using the same formal head sheet

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<tr>
<th>Name of Company (please indicate if not in Singapore)</th>
<th>Last Position Held</th>
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<th>To</th>
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SECTION 6: PRESENT EMPLOYMENT

Name of Company

Address

Position Held

Postal Code

Date Joined

Tel No (Main)  
Te No (O1D)

Fax

Office Email:

Employer's Certificate:

Name of Principal and of Department/Manager  
Signature  
Company's Stamp

SECTION 7: PROPOSER/SECONDERS

Member: Three Members of the Institute of whom at least one must be a Fellow of the Institute appropriate to the applicant or Two members of the Council of whom one shall be the Divisional President.

Fellow: Three Fellows of the Institute of whom at least one shall belong to the same Division as the applicant or Two members of the Council of whom one shall be the Chairman of the Council.

Name in Full  

Proposer  

Signature

MC/BC / MS/BC

Secondor  

Signature

MC/BC / MS/BC

Applicant's Declaration

(i) Have you ever been convicted of any criminal offence in Singapore or elsewhere?  No   Yes

(ii) Have you ever been declared bankrupt in Singapore or elsewhere?  No   Yes

If 'Yes' to (i) or (ii), please give full details including dates in a separate sheet of paper.

I declare that the information given herein is true and correct and if elected, I shall abide by the Constitution and Byelaws of the Institute for the time being in force.

Signature of Applicant:  
Date:  

Rev. 2013
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<th>OFFICIAL USE</th>
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<tr>
<td>☐ To sit for FEPM Exam</td>
</tr>
<tr>
<td>☐ Reciprocal with ...</td>
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<td>☐ Fellow</td>
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<tr>
<td>☐ 'Member'; 'RA'; 'Upg';</td>
<td></td>
</tr>
<tr>
<td>☐ Probationer (Acad; RA; Upg)</td>
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<tr>
<td>☐ Tech Member</td>
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<tr>
<td>☐ Student</td>
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#### Continuing Professional Development (CPD)

CPD is designed to maintain, improve, and broaden the knowledge and skills of professional surveyors and valuers in the field of land and property matters. CPD courses are available in various formats, including seminars, workshops, and online courses.

### Requirements

Members are required to undertake a minimum of 120 hours of CPD activities every 3 years. This is divided into two parts:

- **CPD Activities for Land Surveyors and Valuers**: 90 hours
- **CPD Activities for Valuation and Real Estate**: 30 hours

### CPD Activity Log

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hours</th>
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<tbody>
<tr>
<td>A. Attendance at seminars, workshops, courses, or other CPD activities conducted by the Singapore Institute of Surveyors and Valuers.</td>
<td>90</td>
</tr>
<tr>
<td>B. Preparation and presentation of a technical paper.</td>
<td>40</td>
</tr>
<tr>
<td>C. Participation in a professional body or association's activities.</td>
<td>15</td>
</tr>
<tr>
<td>D. Personal study leading to an addition to the knowledge base.</td>
<td>20</td>
</tr>
<tr>
<td>E. Learning and development of technical skills.</td>
<td>30</td>
</tr>
<tr>
<td>F. Other activities approved by the Institute.</td>
<td>30</td>
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### CPD Allowance

- **90 hours for Land Surveyors and Valuers**
- **30 hours for Valuation and Real Estate**

### Max Hours

- **120 hours per 3 years**

### Notes

- Members must record and submit their CPD activities within 3 months of completion.
- Members may carry over unused CPD hours to the next 3-year period.
5. 香港
(1) サーベイヤーズ登録条例
Surveyors Registration Ordinance

<table>
<thead>
<tr>
<th>作成目的・背景</th>
<th>本条例は、サーベイヤーの登録制度に関する規則を定めたもの。</th>
</tr>
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<tbody>
<tr>
<td>構成・概要</td>
<td>サーベイヤーの登録を行う組織であるサーベイヤーズ登録委員会の組織や役割、サーベイヤーの登録の手続及び要件、違反行為に対する懲戒等について規定している。</td>
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| 本文に関連する条文・記述 | 条例第 12 条（サーベイヤーの登録要件）
(a) HKIS のメンバー会員（MHKIS）、フェロー会員（FHKIS）、または、HKIS と同等の入会条件を有する団体の正会員等であること
(b) 登録申請の前に、香港において 1 年以上の専門分野での実務経験を有すること
(c) 香港に在住していること
(d) サーベイヤーズ登録条例に基づく調査委員会による調査または懲戒手続の対象者でないこと
(e) 該当する専門分野において実務に就いている旨を書面で宣誓していること
(f) その他、専門家として登録するにふさわしい者であること

条例第 15 条（登録の有効期間と更新）
(1) 本条例による登録専門サーベイヤー（RPS）としての登録は、
(a) 前回の登録日から 12 ヶ月は有効で、
(b) 毎年、申請手続きを行うことで更新される。 |
An Ordinance to provide for the registration of professional surveyors, the recognition of divisions within the profession and disciplinary control of the professional activities of registered professional surveyors, and for related matters.

(Enacted 1991)

[19 July 1991]

(Originally 99 of 1991)

Part: | PRELIMINARY | 10/06/1997

(The Ordinance may be cited as the Surveyors Registration Ordinance.

Enacted 1991)

Section | 2 | Short title | 10/06/1997

Interpretation

1. In this Ordinance, unless the context otherwise requires, (Amended 10 of 2005 s. 92)

"Board" (委員會) means the registration board established by section 3;

"Chairman" (主席) means the Chairman of the Board elected under section 5;

"Council" (理事會) means the Council of the Institute;

"disciplinary offence" (違規行為) means an act or omission set out in section 20(1);

"division" (分支) means a branch of the surveying profession established by the Institute or designated by the Board under section 7(1);

"inquiry committee" (聆訊委員會) means an inquiry committee established under section 21;

"Institute" (香港測量師學會) means the Hong Kong Institute of Surveyors established by The Hong Kong Institute of Surveyors Ordinance (Cap 1148);

"member of the Institute" (香港測量師) means a person who is a corporate member under the constitution of the Institute;

"register" (冊) means the register of professional surveyors established under section 7;

"registered professional surveyor" (註冊測量師) means a person whose name is currently entered in the register;

"Registrar" (登記主任) means the Registrar of professional surveyors appointed under section 10;

"registration committee" (登記委員會) means a registration committee appointed under section 16;

"revision committee" (檢討委員會) means a revision committee appointed under section 25(2).

2. For the purposes of sections 26(2) and 27(1), an appeal to the Court of Appeal shall be deemed to be finally determined when the latest of the following events occurs, whichever is applicable in the circumstances:

(a) when the appeal to the Court of Appeal is withdrawn or abandoned;

(b) when the specified period expires without an application for leave to appeal having been made to the Court of Appeal;

(c) if the expiry of the specified period and an application for leave to appeal is made in the Court of Appeal:

(i) when the application is withdrawn or abandoned;

(ii) if the application is refused, when the specified period expires without an application for leave to appeal;
special having been made to the Court of Final Appeal; or

(iii) if the application is granted, when the appeal to the Court of Final Appeal is withdrawn, abandoned or disposed of, or

(d) if, before the expiry of the specified period, an application for leave to appeal is made to the Court of Final Appeal-

(i) when the application is withdrawn, abandoned or refused; or

(ii) if the application is granted, when the appeal to the Court of Final Appeal is withdrawn, abandoned or disposed of. (Added 10 of 2013 s. 92)

(4) In subsection (2),

"application for leave to appeal" means an application made to the Court of Appeal or the Court of Final Appeal under section 24 of the Hong Kong Court of Final Appeal Ordinance (Cap 484) for leave to appeal to the Court of Final Appeal from a judgment of the Court of Appeal;

"specified period" means-

(a) in the case of an application for leave to appeal made to the Court of Appeal means-

(i) subject to subparagraph (ii), the period of 28 days within which the notice of motion referred to in section 24(2) of the Hong Kong Court of Final Appeal Ordinance (Cap 484) is required to be filed, or

(ii) if, on an application made within the 28-day period referred to in subparagraph (i), the Court of Appeal extends that period, the period as so extended; or

(b) in the case of an application for leave to appeal made to the Court of Final Appeal, means

(i) subject to subparagraph (ii), the period of 28 days within which the notice of motion referred to in section 24(4) of the Hong Kong Court of Final Appeal Ordinance (Cap 484) is required to be filed, or

(ii) if, on an application made within the 28-day period referred to in subparagraph (i), the Court of Final Appeal extends that period, the period as so extended. (Added 10 of 2005 s. 92)

(Enacted 1991)

<table>
<thead>
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<th>Part:</th>
<th>II</th>
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<tr>
<td>SURVEYORS REGISTRATION BOARD</td>
<td>[M06/1857](Enacted 1991)</td>
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<tr>
<th>Section:</th>
<th>4</th>
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Remarks:

Adaptation amendments retroactively made - see 57 of 1999 s. 3

(1) There is established a board to be known as the Surveyors Registration Board which shall be a body corporate having perpetual succession and a common seal.

(2) The Board shall consist of not less than 12 members appointed by the Council and, in addition, may include one member appointed by the Chief Executive. (Amended 57 of 1999 s. 3)

(3) Notice of every appointment made under this section shall be published in the Gazette.

(4) The Council shall not appoint a person as a member of the Board unless he is a member of the Institute. (Enacted 1991)

Remarks:

Adaptation amendments retroactively made - see 57 of 1999 s. 3

(1) A member appointed by the Council-

(a) shall be appointed for 2 years or such lesser period as may be specified in the terms of his appointment,

(b) may resign by giving notice in writing to the Board, and

(c) subject to subsection (2) may be reappointed.
(2) A member-
(a) who has been a member of the Board appointed by the Council continuously for 8 years or
(b) whose period of service as a member of the Board appointed by the Council exceeds 8 years in any 10
year period,
may not be reappointed until a period of 2 years has elapsed when he shall be eligible for reappointment as if he had not previously been appointed.

(3) The member appointed by the Chief Executive shall hold office at the discretion of the Chief Executive.

(Amended 57 of 1999 s. 3)

(4) If the Board is satisfied that a member of the Board appointed by the Council-
(a) has become bankrupt or has entered into a voluntary arrangement with his creditors within the meaning of the Bankruptcy Ordinance (Cap 6); (Amended 76 of 996 s. 90)
(b) has become incapacitated by physical or mental illness as to be unable to carry out his duties as a member;
(c) has ceased to be ordinarily resident in Hong Kong;
(d) has been sentenced to imprisonment, whether suspended or not, by any court or magistrate;
(e) has been found guilty of a disciplinary offence;
(f) notwithstanding any of the other grounds for removal, is, in the opinion of the Board, unable or unfit to
carry out his functions as a member of the Board,
the Board may by notice in writing terminate his appointment.

(5) Where any member of the Board appointed by the Council is precluded by temporary absence or incapacity
from carrying out his functions as a member for any period of 3 months, the Council may appoint another person to hold office in place of such member:

(a) in the case of a temporary absence or incapacity, during the period of temporary absence or incapacity;
(b) in the case of a resignation, for the balance of the period for which the resigning member was due to
serve.

(Enacted 1991)

Section: 15 | Chairman | 30/06/1977

(1) The Board shall elect a Chairman and a Vice-Chairman each year from among the members and not more
than 15 months shall elapse between the date of one election and the next.

(2) A member elected as Chairman or Vice-Chairman under sub-section (1) may at any time, by notice in writing,
to the Board, resign from the office of Chairman or Vice-Chairman.

(Enacted 1991)


Remarks:

For the saving and transitional provisions relating to the amendments made by the Resolution of the Legislative
Council (L.N. 130 of 2007), see paragraph (13) of the Resolution

(1) The Chairman, or in his absence, the Vice-Chairman, may appoint the time and place for the Board to meet.

(2) The Registrar shall, or a member of the Board may, on the written requisition of not less than 2 members,
give notice of a meeting of the Board to be held not sooner than 7 days but within 28 days from receipt of the
requisition and appoint the time and place for that purpose.

(3) The Board shall meet at least once every 6 months and as often as may be necessary to transact the business
of the Board.

(4) The Board shall not transact business at a meeting other than to adjourn unless there is a quorum of one half
of the members of the Board present.

(5) The Board may make rules not inconsistent with this section, setting out the procedure to be followed at
meetings.

(6) The Board shall have power to make rules under subsection (5) with the Secretary for Development.

(Amended 33 of 997 s. 16; L.N. 106 of 2002; L.N. 130 of 2007)

(Enacted 15/91)
The Board shall—
(a) establish and maintain a register of registered professional surveyors;
(b) designate divisions within the surveying profession under which a person may be registered as a registered professional surveyor;
(c) set and review the qualification standards for registration as a registered professional surveyor; and
related registration matters;
(d) advise the Government and the Institution of registration matters;
(e) examine and verify the qualifications of persons who apply for registration as registered professional surveyors;
(f) receive, examine, accept or reject applications for registration and renewal of registration as a registered professional surveyor;
(g) deal with disciplinary offences in accordance with this Ordinance;
(h) keep proper records of its proceedings and accounts; and
(i) carry out such other functions as this Ordinance may prescribe.

Section: 8 Powers of the Board

The Board may—
(a) set fees payable to it under this Ordinance;
(b) establish committees to advise the Board on the carrying out of the powers and duties of the Board;
(c) employ persons to assist with the carrying out of its functions under this Ordinance;
(y) from time to time engage such professional advisers as it may consider necessary or expedient;  
(Added 33 of 1997 s. 17)
(d) make rules for the conduct and discipline of registered professional surveyors;
(e) make rules for the remuneration of employable officers engaged by persons carrying on the business of the Board;
(f) make further rules required under this Ordinance.  
(Enacted 1997)

Section: 10 No fees payable to Board members

No fees shall be paid to any member of the Board for his services as a member.

(Enacted 1991)

Part: III REGISTER AND CERTIFICATES

(Enacted 1991)

Section: 10 Appointment and duties of Registrar

(1) The Board shall appoint a person to be Registrar upon such terms and conditions as it thinks fit.
(2) The Registrar shall—
(a) be responsible for the custody of the register; and
(b) serve as secretary to the Board and, subject to any rules made by the Board, the registration committee and any inquiry committee.

(Enacted 1991)

Section: 12 Form of register

(1) The Registrar shall, in accordance with the directions of the Board, keep the register in which he shall enter
in respect of every registered professional surveyor—

(a) the division under which the person is registered;
(b) the name and address of the registered professional surveyor;
(c) the qualifications on which his registration is based;
(d) any other details that the Board may direct.

(2) The register shall be available to any person for inspection free of charge at the office of the Institute at such reasonable times as the Board may direct.

(3) A person whose name is entered in the register shall, within 30 days notify the Registrar of any change in the particulars prescribed by subsection (1).

(4) The Board shall not charge a fee to amend the register.

(Enacted 1991)

Section: 12 Qualifications for registration

(1) The Board shall not register a person as a registered professional surveyor unless—

(a) he—
   (i) is a member of the Institute within a division; or
   (ii) is a member of a surveying body the membership of which is accepted by the Board as being of a standard not less than that of the Institute as a member within a division; or
   (iii) has passed such examination in surveying and related subjects and has received such training and experience as Board may accept, either generally or in a particular case, as a qualification of a standard not less than that of a member of the Institute within a division; and

(b) he satisfies the Board that he has had 1 year relevant professional experience in Hong Kong before the date of his application for registration; and

(c) he is ordinarily resident in Hong Kong; and

(d) he is not the subject of an inquiry committee or a disciplinary order under Part IV which precedes him, from being registered under this Ordinance, and

(e) he satisfies the Board by declaration in writing that he is competent to practice in the relevant division; and

(f) he is a fit and proper person to be registered.

(2) Without limiting the effect of subsection (1)(1), the Board may refuse to register a person as a registered professional surveyor who—

(a) has been convicted in Hong Kong or elsewhere of any offence which may bring the profession into disrepute and sentenced to imprisonment, whether suspended or not; or

(b) has committed misconduct or neglect in a professional respect.

(3) Where the Board is satisfied by an applicant that he is competent to practice surveying in a division and the Board is later satisfied that the person is not competent to practice surveying in a division, the Board may refer the matter to an inquiry committee who shall deal with it as if it were a complaint under section 21(1).

(Enacted 1991)

Section: 13 Application for registration

(1) A person shall apply for registration as a registered professional surveyor in such form and manner as the Board may specify.

(2) An applicant shall pay to the Board at the time of lodging his application the fee for an application for registration.

(3) The Board may, in its discretion, require an applicant to undertake a written examination under section 12(1)(iii) of his knowledge of surveying within the relevant division and professional matters.

(Enacted 1991)

Section: 14 Acceptance or refusal of registration

(1) The Board may accept or refuse an application for registration or renewal of registration under this Ordinance.

(2) Where the Board accepts or refuses an application for registration or renewal of registration, the Registrar
shall act in accordance with rules made by the Board.

(1) Where the Board rejects an application for registration or renewal of registration, it shall give reasons for the rejection.

(Enacted 1991)

Section: 15 | Expiry of registration and renewal | 30/36/1997

(1) The entry in the register of a person as a registered professional surveyor under this Ordinance-
(a) shall remain in force for 12 months from the date when he was registered;
(b) may be renewed annually by application of the person so registered.

(2) A registered professional surveyor shall apply for renewal of registration to the Registrar in the form specified by the Board not earlier than 3 months and not later than 28 days prior to the expiry of the current registration.

(3) A registered professional surveyor shall pay to the Board the fee for an application for renewal of registration at the time of applying for renewal of registration.

(4) If a registered professional surveyor does not apply for renewal of registration before the expiry of his current registration-
(a) the Registrar shall, on the expiry of the current registration, note in the register that registration has not been renewed; and
(b) the person shall be deemed not to be currently on the register from the date of expiry of his registration.

(5) The Board may reject an application for renewal if it is satisfied that the applicant does not continue to comply with the requirements for registration set out in section 12.

(6) Where a registered professional surveyor fails to renew his registration within time, the Board may extend the time for renewal of registration if the registered professional surveyor pays to the Board the fee for the extension of time.

(7) After a period of extension of time by the Board shall not affect any offence under any other Ordinance that the person who has failed to renew on time may commit as a result of the failure.

(8) If the registration of a registered professional surveyor has expired, the Board may require him to remit the fee for registration instead of terminating his registration.

(Enacted 1991)

Section: 16 | Registration committee | 57 of 1999 | 31/03/1997

Remarks:
Adaptation amendment retroactively made - see 57 of 1999 s. 3

(1) The Board may appoint a registration committee of not less than 5 members of the Institute, at least one of whom is qualified in the relevant division and at least one of whom is not qualified in the relevant division, to examine the qualifications of applicants for registration in that division.

(2) The Chief Executive may nominate a person to be a member of the registration committee, and, if a person is so nominated, the Board shall appoint him to the committee. (Amended 57 of 1999 s. 2)

(3) The registration committee shall make recommendations to the Board on the acceptability of the qualifications which require the Board's consent under section 12(1)(c)(i), (ii) or (iii).

(4) The Board shall not be bound by a recommendation of the registration committee under subsection (3).

(5) The Board may delegate any of its functions relating to registration and the renewal of registration to the registration committee.

(Enacted 1991)

Section: 17 | Certificate of registration | 30/06/1997

The Registrar may, on payment by a registered professional surveyor to the Board of the fee, issue to the registered professional surveyor a certificate of registration or a certificate of renewal of registration in the form specified by the Board.

(T. Act 57 of 1991)
A registered professional surveyor shall notify the Board if he is likely to be absent from Hong Kong for a continuous period of more than 6 months.

(Enacted 1991)

Section: 19

Removal of name from the register

10 of 2005, 03/23/2005

(1) The Registrar may remove the name of a registered professional surveyor from the register if he has notice that the registered professional surveyor has—
(a) died;
(b) applied to discontinue his registration;
(c) in the opinion of the Board, ceased to be ordinarily resident in Hong Kong;
(d) failed to renew his registration;
(e) ceased to hold a qualification by virtue of which he was registered, or
(f) failed to notify a change of details required under section 14(3).

(2) For the purposes of subsection (1)(c), if a registered professional surveyor has been to reside in Hong Kong for a period of 2 years or more, the Board shall not consider him to be ordinarily resident in Hong Kong.

(3) Subject to section 28(2), the Registrar shall remove a name from the register if he receives an order of the Court of Final Appeal, the Court of Appeal or an inquiry committee directing that the name be removed from the register. (Amended 10 of 2005 s. 95)

(4) Where the Registrar intends to remove the name of a registered professional surveyor from the register under subsection (1)(e), (d), (c) or (b), he shall send notice of his intention by prepaid registered post to the registered address of the registered professional surveyor and shall not remove his name until the expiry of a period of 28 days after the date of posting the notice.

(5) If the Registrar gives notice to a registered professional surveyor that—
(a) the Board is of the opinion that he is not ordinarily resident in Hong Kong and, before the Registrar acts to remove his name from the register, the registered professional surveyor satisfies the Board that he is ordinarily resident in Hong Kong;
(b) he has not applied to renew his registration and, before the Registrar acts to remove his name from the register, the registered professional surveyor properly applies to renew his registration;
(c) he has ceased to hold a qualification by virtue of which he was registered and, before the Registrar acts to remove his name from the register, the registered professional surveyor satisfies the Board that he holds the qualification or;
(d) he has failed to notify a change of particulars required under section 14(1) and, before the Registrar acts to remove his name from the register, the registered professional surveyor takes such action as will remedy the defect in the register,

the Registrar shall remove the name from the register for the reason set out in the notice referred to in subsection (4).

(6) If the name of a registered professional surveyor is removed from the register, his registration is cancelled and he shall return any certificate issued in respect of his registration to the Registrar.

(7) The Board shall not be liable to refund to a person any fee, or any part of any fee, on the removal of his name from the register.

(8) The Registrar may surcharge any person appearing in the face of the register.

(Enacted 1991)

Section: 20

Disciplinary offences

30/06/1997

(1) A registered professional surveyor commits a disciplinary offence if he—
(1) commits misconduct or neglect in any professional respect;
(2) has been convicted of an offence under this Ordinance;
(3) has obtained registration under this Ordinance by fraud or misrepresentation;
(4) was not at the time of his registration under this Ordinance entitled to be registered;
(5) has held himself out to be a registered professional surveyor in a specific division when he was not so registered;
(6) without reasonable excuse, fails to attend before an inquiry committee when summoned either as a witness or as a person in respect of whom the inquiry committee is inquiring of;
(7) has been convicted in Hong Kong or elsewhere of any offence which may bring the profession into disrepute and sentenced to imprisonment, whether the sentence is suspended or not.

(2) If a person who has been guilty of misconduct or neglect in a professional respect or has been convicted of an offence under this Ordinance or has been convicted of an offence likely to bring the profession into disrepute and sentenced to imprisonment, informs the Board of such misconduct, neglect or conviction when he applies for registration or renewal of registration and the Board subsequently accepts his application for registration or renewal of registration, that person shall not, for the purposes of registration or renewal of registration, be considered as having committed a disciplinary offence in respect of the disclosed misconduct, neglect or conviction.

(3) Where the Registrar receives a complaint concerning a disciplinary offence, the Registrar shall, in the first instance, refer the facts to 2 members of the Board appointed for the purpose, and the members, in consultation with the Registrar, shall determine whether the complaint should be referred to the Board.

(Enacted 1991)

Section: 21 Inquiry committee and rules of conduct

(1) The Board may refer any complaint concerning a disciplinary offence to an inquiry committee for decision, and for that purpose the Board may establish an inquiry committee of not less than 3 members of the Institute in any division as the registered professional surveyor in respect of whom the complaint is made, to determine whether or not the person has committed a disciplinary offence.

(2) The Board may make rules providing for the conduct of its inquiries by an inquiry committee and for other matters relating to the investigation of an alleged disciplinary offence.

(3) The inquiry committee shall not proceed to hear evidence of a complaint concerning a disciplinary offence unless the registered professional surveyor in respect of whom the complaint is made is given 28 days' notice of the complaint and the date, time and place of the hearing.

(4) The registered professional surveyor referred to in subsection (3) shall be entitled to attend and hear all evidence produced at the hearing and shall be provided with a copy of this Ordinance and any rules made under this section.

(5) The Board may make rules for the remuneration of an inquiry by an inquiry committee.

(6) Where a registered professional surveyor is alleged to have committed a disciplinary offence under section 20(1)(b) or (g), the inquiry committee-
(a) shall not be required to inquire whether the registered professional surveyor was properly convicted of the alleged offence; and
(b) may consider any record of the case in which a conviction was recorded and any other evidence which is relevant as showing the nature and gravity of the offence.

(7) The inquiry committee may, in deciding whether a person has committed a disciplinary offence, have regard to any code of professional conduct or practice promulgated by the Board or currently in use by the Institute.

(Enacted 1991)

Section: 22 Legal adviser

The Board may appoint a legal practitioner, either under section 3, 27 or 27A of the Legal Practitioners Ordinance (Cap 159) who holds a valid current practising certificate to advise an inquiry committee and a review committee on any points of law and procedure that arise before, during or after the inquiry.

(Enacted 1991)
(1) Where an inquiry committee finds that a registered professional surveyor committed a disciplinary offence, on confirmation by a review committee of the finding, or on the variation of the finding or any proposed order based on the recommendation of the review committee, the inquiry committee may make any one or more of the following orders: (Amended 33 of 1997 s. 16)

(a) order the Registrar to remove the name of the registered professional surveyor from the register;
(b) order the Registrar to remove the name of the registered professional surveyor from the register for such period as the inquiry committee may think fit;
(c) reprimand the registered professional surveyor in writing and order the Registrar to record the reprimand in the register;
(d) order that no order made under this section be suspended, subject to such conditions as the inquiry committee may think fit, for a period not exceeding 5 years;
(e) order that the Board shall not accept an application from the registered professional surveyor for registration as a registered professional surveyor either for a fixed period or until the registered professional surveyor satisfies the Board that he should be registered;
(f) order that the Chairman discontinue the registered professional surveyor orally; (Amended 33 of 1997 s. 18)

(g) order the registered professional surveyor to pay all or part of the costs of any of the Registrar, the Board or the inquiry committee arising from the case if, but only if, the inquiry committee is satisfied that it in all the circumstances of the case it would be unjust and equitable not to do so. (Added 33 of 1997 s. 18)

(2) Costs payable by virtue of an order under subsection (1)(g) shall be recoverable as a civil debt. (Added 33 of 1997 s. 8)

(3) The inquiry committee may

(a) assess the amount of any costs to be payable by virtue of an order under subsection (1)(g), or
(b) order that those costs be taxed on the basis of any one of the scales of costs specified in Part 1 of Schedule 1 to Order 62 of the Rules of the District Court (Cap 336 s. 6, leg. 15), (Amended 21 of 2008 s. 16) and the Schedules to Order 62 of the Rules of the High Court (Cap 35 s. 16, leg. A) shall, with all necessary modifications, apply to the taxation and recovery of costs. (Added 33 of 1997 s. 18. Amended 57 of 1999 s. 2)

(4) For the purposes of this Ordinance (including sections 23 and 281), any assessment or order under subsection (3) shall be deemed to be part of the order under subsection (1)(g) to which it relates. (Added 33 of 1997 s. 18)

(Emended 1991)

<table>
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<th>24</th>
<th>Powers in regard to obtaining of evidence and conduct at inquiry</th>
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(1) An inquiry committee shall have power-

(a) to hear, reserve and examine evidence on oath;
(b) to summon any person to attend the inquiry either as the person whose conduct is the subject of the inquiry or to give evidence of any document or other thing in his possession and to examine him as a witness or require him to produce any document or other thing in his possession, subject to all just exceptions;
(c) to admit or exclude the public or any member of the public from the inquiry;
(d) to admit or exclude the press from the inquiry;
(e) in which any person summoned to attend the inquiry as a witness shall allow to be paid from the funds of the Board, as in the opinion of the inquiry committee has been reasonably expended by him in connection with his attendance.

(2) The Registrar shall sign summons to witnesses.

(3) No person shall be required to answer any question or produce any document or other thing which, in the opinion of the inquiry committee, may tend to incriminate him.

(4) A witness shall, in respect of any evidence given by him before the inquiry committee, be entitled to the same privileges to which he would be entitled if he were giving evidence in court.

(Emended 1991)
(1) When an inquiry committee completes its hearing in respect of a disciplinary offence and makes a finding that a disciplinary offence has been committed, the Registrar shall forthwith forward the inquiry committee’s decision and details of any order proposed to be made by the inquiry committee under section 25 to the Board for review.

(2) The Board shall appoint 3 of its members, one of whom shall be qualified in the division of the registered professional surveyor concerned, to sit with the Chairman as a review committee to review the decision of the inquiry committee.

(3) The Board shall not appoint a member of the inquiry committee to be a member of the review committee.

(4) The review committee may—
(a) confirm the decision and any proposed order of the inquiry committee;
(b) reverse a finding of guilt of the inquiry committee;
(c) recommend that any proposed order made by the inquiry committee be varied; or
(d) remit the decision or any proposed order of the inquiry committee to the inquiry committee with directions to reconsider the decision or proposed order or both.

(5) The inquiry committee shall comply with the directions and recommendation, if any, of the review committee.

(Enacted 1991)

(1) The Registrar shall serve a copy of any order made under section 25(1), together with a copy of the inquiry committee’s reasons, or serve notice that the inquiry committee has not found that the registered professional surveyor concerned committed a disciplinary offence, upon the registered professional surveyor who was the subject of the complaint, either personally or by registered post addressed to his registered address immediately when the Registrar receives—
(Amended 31 of 1997 s. 19)
(a) the report of the review committee, unless the inquiry committee is to reconsider its decision; or
(b) any order of the inquiry committee reviewed under section 25(1)(d).

(2) The Registrar shall serve a copy of the order upon the registered professional surveyor from the registrar before the expiry of a period of 3 months after the date of service of the order under subsection (1) or in the case of an appeal made to the Court of Appeal against the order under section 28, before the appeal is finally determined. (Amended 10 of 2005 s. 94)

(3) Any person whose name has been removed from the register under this Ordinance may apply to the Board for the restoration of his name in the register, and the Board may, after such inquiry and subject to such conditions as may be considered desirable, allow or refuse the application.

(4) If the Board allows the application under subsection (3), it shall order the Registrar to restore the name of the applicant to the register on payment by the applicant of the prescribed fee.

(Enacted 1991)

(1) After the expiry of the time within which an appeal may be made to the Court of Appeal under section 28 against an order of an inquiry committee made under section 25(1)(a), (b), (c), (d) or (e), if such an appeal has been made, after the appeal is finally determined, the Board (Amended 33 of 1997 s. 26; 10 of 2005 s. 95)
(a) shall publish a copy of the order; or, if the order is varied on appeal, the order as so varied in at least one English and one Chinese language newspaper circulating daily in Hong Kong; and
(b) may publish the order, if the order is varied on appeal, the order as so varied in any other publication or manner as the Board thinks fit. (Amended 10 of 2005 s. 95)

(2) Where an order is published under subsection (1), the Board—
(a) shall publish with such order sufficient particulars to acquaint the public with the nature of the matter to which the order relates; and
(b) may publish with such order an account of the proceedings of the inquiry committee.

(3) No action in damages for defamation shall lie against any person as a result of publishing an order and other particulars required or permitted under this section.
<table>
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(1) Any person who is aggrieved by any decision or order made in respect of him under section 14(1), 15(5) or 23(1) may appeal to the Court of Appeal. (Amended 33 of 1997 s. 21)

(2) The Court of Appeal may affirm, reverse or vary the decision or order appealed against. (Amended 10 of 2003 s. 96)

(3) Where a person appeals against an order of an inquiry committee, the Court of Appeal shall consider the report of the inquiry committee and submissions upon the findings of fact and law of the inquiry committee made on behalf of the parties to the inquiry and may call for the original record of the evidence taken and any documents put in evidence before the inquiry committee. (Amended 10 of 2005 s. 96)

(4) The Court of Appeal may, upon special grounds being shown, consider any additional evidence not adduced before the inquiry committee.

(5) (Repealed 10 of 2005 s. 91)

(6) The practice in relation to any appeal shall be subject to any rules of court made under the High Court Ordinances (Cap. 4). (Amended 57 of 1999 s. 3)

(7) The Court of Appeal shall not have power to hear any appeal against a decision or order made under section 14(1), 15(5) or 23(1) unless-

(a) in the case of a decision made under section 14(1), 15(5) or 23(1) notice of such appeal is given within 3 months after the applicant is notified in writing of the decision;

(b) in the case of an order made under section 23(1), notice of such appeal is given within 3 months of the service of the order under section 26. (Replaced 33 of 1997 s. 21)

(8) In deciding any appeal under this section the Court of Appeal may make such order for the payment of costs as it considers reasonable.

<table>
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<th>V1</th>
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(1) A person whose name does not appear on the register shall not be entitled to describe himself as a "registered professional surveyor" with or without a qualifying division or to use the initials "R.P.S." with or without a qualifying division.

(2) A person shall not use the description of "registered professional surveyor" or the initials "R.P.S." unless the person includes in the description the qualifying division in full or by an abbreviation approved by the Board.

(3) The Board may apply to a judge for an order restraining any person whose name is not on the register or on the part of the register which applies to a particular division from describing himself as a "registered professional surveyor" or using the initials "R.P.S." whether with or without a qualifying division or with a division for which he is not registered.

(4) A person, including a firm or company, shall not use the description of "registered professional surveyor" or the initials "R.P.S." unless-

(a) at each place where the person carries on the business of surveying, that business is conducted under the supervision of a registered professional surveyor of the appropriate division who does not act at the same time in a similar capacity for any other person other than for a firm or company that has substantially the same beneficial ownership and management as the person (where the person is a firm or company):
(b) where the person carries on a multidisciplinary practice, that business, so far as it relates to surveying, is under the full time control and management of a registered professional surveyor of the appropriate division who does not act as the same time in a similar capacity for any other person other than for a firm or company that has substantially the same beneficial ownership and management as the person (whether the person is a firm or company).

(5) The Board may apply to a judge for an order—

(a) restraining any person, including a firm or company, from using the description of registered professional surveyor or the initials 'R.P.S.' if the person has not complied with subsection (4); or

(b) restraining any person whose name is not entered in the register from carrying on a professional surveying practice in such manner as may reasonably cause any other person to believe that he is a registered professional surveyor.

(Enacted 1991)

Part: VII OFFENCES AND EVIDENCE

Section: 30 Offences and penalties

Any person who—

(a) having been summoned by an inquiry committee to attend as a witness or to produce a document or other thing under section 21 without reasonable excuse refuses or fails to do so;

(b) attends as a witness before an inquiry committee and willfully fails to answer any question put to him by the inquiry committee;

(c) fraudulently obtains registration as a registered professional surveyor for himself or any other person;

(d) obtains registration as a registered professional surveyor for himself or any other person by means of any false or fraudulent representation or statement, false or fraudulent return or declaration, or any falsification of the register;

(e) imparts any false or fraudulent representation or statement to the Board or an inquiry committee in connection with its functions under this Ordinance;

(f) falsely takes or uses any name, initials, title, addition or description implying that he has been admitted in the register;

(g) not being a registered professional surveyor, uses or knowingly permits the use of in connection with his business or profession—

(i) the description 'registered professional surveyor';

(ii) the description 'registered professional surveyor with reference to a division';

(iii) the initials 'R.P.S.';

(iv) the initials 'R.P.S.' with reference to a division; or

(v) initials or abbreviations or words intended to cause, or which may reasonably cause, any person to believe that the person using them is on the register;

(h) not being on the register, advertises or represents himself as a registered professional surveyor or knowingly permits himself to be so advertised or represented;

(i) not being on the register, commits an offence and is liable to a fine of $50,000 and to imprisonment for 1 year.

(Enacted 1991)

Section: 31 Certificate as evidence

A certificate purporting to be signed by the Registrar, that the name of a person has or has not been entered in or has been removed or ordered to be removed from the register shall for all purposes, without further proof, be evidence of the facts stated in the certificate.

(Enacted 1991)
(2) 専門適正審査に係る規則及びガイド(HKIS)

Rules and Guide to the Assessment of Professional Competence

<table>
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<th>作成目的・背景</th>
<th>本規則及びガイドは、香港サーベイヤーズ協会の入会（会員登録）に必要となる手続き等についての規則やガイドを定めたものです。</th>
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<tr>
<td>構成・概要</td>
<td>入会のための具体的な要件、専門適正審査（APC：Assessment of Professional Competence）の内容及び手続き等について規定している。</td>
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| 本文に関連する条文・記述 | 第7（実務修習パート1） 7.1 APCスキーム下にある入会候補者は実務修習の1年目に実務修習パート1を受講する。 7.2 9ヶ月の専門的な訓練及び経験を経た入会候補者だけが実務修習パート1を受講できる。 7.3 香港サーベイヤーズ協会の基準を満たす実務修習パート1の準備のために用意された40時間の必修プログラムの少なくとも80％以上出席して、同プログラムを完了した入会候補者だけが実務修習パート1の受講申請が認められる。 7.4 実務修習パート1は、次の4つの筆記試験で構成される。 (a)鑑定評価、(b)仲介及びアセット・マネジメント、(c)総合実務に関する法令、(d)都市土地経済学
| 第8（実務修習パート2） | 8.1 入会候補者は次の要件を満たせば実務修習パート2を受けることができる。
(a)実務修習パート1に合格し、21ヶ月以上の専門的な訓練及び経験を積んでいること、または
(b)実務修習パート1に合格していなくても上記(a)の訓練・経験を満たしている場合、実務修習パート1と実務修習パート2を一緒に受講申請すること
8.2 実務修習パート2では、3人の審査員で構成する審査会によるインタビューでの口頭試問を行う。 |
Rules and Guide to the

ASSESSMENT OF PROFESSIONAL COMPETENCE

General Practice Division

June 2012

The Hong Kong Institute of Surveyors (HKIS) reserves the right to amend the Rules and Guide without prior notice. All matters of disputes relating to the Rules and Guide are subject to the final decision of the HKIS. This is not a Contractual Publication.
All inquiries and applications should be addressed to:

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1. OBJECTIVES

1.1 The Hong Kong Institute of Surveyors ("HKIS" or "Institute") seeks to ensure, via the Assessment of Professional Competence Scheme that only those who are considered capable of carrying out competently the works of a professionally qualified Surveyor on behalf of clients or an employer are admitted to corporate membership of the HKIS.

1.2 The Assessment of Professional Competence Scheme of the General Practice Division ("the APC Scheme") is designed for the APC Candidates to establish the following:

(a) they obtain appropriate technical knowledge in General Practice Surveying;

(b) they are able to apply the theoretical knowledge through professional training and experience to attain practical skills;

(c) they get hold of a firm knowledge of the HKIS’s Rules of Conduct, understand the importance of possessing the highest level of professional integrity and objectivity, and recognizing their duties to clients, employers and the community;

(d) they are aware of the need to pay particular attention to accuracy and essential detail to safeguard the interests of employers and clients, and

(e) they can communicate effectively both orally and in writing and present reports professionally.

1.3 In addition, through the APC Scheme, candidates are expected that:

(a) they are good ambassadors for the surveying profession, the HKIS and employer;

(b) they are professionally and commercially aware;

(c) they understand your clients’ and employer’s thinking and objectives;

(d) they understand the interaction of different sub-markets;

(e) they have up to date knowledge of legal and technical matters relevant to the practice;

(f) they are able to play a role in a team and build up experience in client contact; and

(g) they have developed the confidence to work unsupervised.
1.4 The APC Scheme operates in partnership amongst the HKIS, the Candidates themselves, their employers, and the employer's appointed Supervisor and Counsellor.

2. INTERPRETATION

2.1 In this GPD APC Rules & Guide, unless expressly stated,

APC means Assessment of Professional Competence of the General Practice Division ("GPD") of the Hong Kong Institute of Surveyors.

Applicant means the probationer or associate member who applies for the APC Scheme.

Assessors means those HKIS' full members in the GPD who are appointed by the HKIS to peruse the interim submission and give comments on the same, to mark the examination papers of the Part I Assessment, or to be a member of the panel in the Part II Assessment.

Candidate means the candidate registered under the APC Scheme.

Counsellor means a full member of the HKIS of not less than 5 years standing and appointed by the candidate's employer, who agrees to ensure that the candidates receive appropriately supervised professional training and experience, and the Candidate is allowed to develop an appropriate level of confidence and professional independence and to certify the documents under the APC Scheme.

Employer means individually or a firm who employs the Applicant or the Candidate.

HKIS means the Hong Kong Institute of Surveyors.

Supervisor means a full member of the HKIS in the GPD of not less than 3 years standing who, working with the candidate under the same organization and appointed by the candidate's employer, agrees to give guidance on training and give advice on day to day work to not more than three Candidates under the APC Scheme at any one time.

3. THE FORM OF THE APC SCHEME

3.1 The APC comprises the following requirements:
(a) a minimum period of professional training and experience as stipulated in Section 3.1 immediately before the application for the full membership of the Institute;

(b) an approved record of professional training and experience as required by the Education Committee of the Joint Divisional Council;

(c) an approved interim submission as stipulated in Section 5.6 within one month after 12 months of professional training and experience;

(d) attendance of the required hours of Pre-qualification structure training;

(e) Part I Assessment as detailed in Section 7 hereof, and

(f) Part II Assessment as detailed in Section 8 hereof.

3.3 Approved areas of professional training and experiences are set out in Annex I.

3.4 The above requirements are subject to amendments or revision from time to time by the HKIS without further notice.

4. ELIGIBILITY FOR THE ASSESSMENT

4.1 Only probationers or associate members of the HKIS are eligible to register for the APC Scheme and upon enrollment, may commence recording the Diary of their training/experience and Log Book.

4.2 Throughout the APC period, the candidate must be a probationer or an associate member of the HKIS.

4.3 How to apply for the APC Scheme

4.3.1 The Applicant who, being a probationer or associate member of the HKIS would wish to apply for the APC may complete Form APC1 and submit it with the necessary fees to the HKIS. Fees are subject to revision from time to time at the discretion of the HKIS. If the candidate fails the Part I or Part II, a further fee will be payable for taking subsequent Part I or II assessment each until successful completion of all assessments of the APC scheme.

4.3.2 Submission with Form APC1 must contain a statement from the applicant's employer confirming that the professional training and experience policy or arrangement operated by the employer or its subsidiary or associated company is designed to satisfy the requirements detailed in Annex I hereof.
4.3.3 The intending applicant may apply by letter to the HKIS prior to the submission of the Form APC1 for an advance opinion on the suitability of the proposed employment and arrangements for obtaining the relevant professional training and experience. If the reply is that the proposed arrangements may not fulfill the requirements of the APC Scheme in question, the applicant may be granted approval for a limited period on the basis that the applicant shall obtain wider experience at a later date.

4.3.4 The HKIS will acknowledge receipt of the Form APC1 application. APPLICANTS MUST NOTIFY THE HKIS IN WRITING IF ACKNOWLEDGMENT IS NOT RECEIVED WITHIN ONE MONTH.

4.3.5 A letter of approval will be issued to the successful applicant in due course.

4.3.6 For each and every subsequent change of arrangements for the professional training and experience including but not limited to the change of employment, Counsellor or Supervisor, candidates must submit Form APC1IS to the HKIS within one month of such change, failing which the period of professional training and experience between the date such change takes effect and the date the HKIS is notified will not be counted.

5. THE PROFESSIONAL TRAINING AND EXPERIENCE REQUIRED

5.1 As stated in Section 3.1(a), probationers or associate members under the APC Scheme are required to acquire a minimum level of professional training and experience prior to the application for the full membership of the HKIS. The approved areas of such professional training and experience are set out in Annexure I.

5.2 For probationers holding a degree, the required minimum period of professional training and experience is 24 months. For all others depending on their qualifications at the time of their registration for the APC Scheme, the required minimum period is 36 months to 60 months. There is also a minimum 24 months' allocation to different areas of experience/training for all candidates as stated in Annexure I.

5.3 Experience Recording

5.3.1 Upon successful application for the APC and the approval of the professional training and experience as stated in the Form APC1, candidates are required to write and maintain a Diary provided by the HKIS.

5.3.2 It is in the interest of the candidate to start recording experience from the date when the Form APC1/CP is submitted to and received by the HKIS office, which date is normally taken as the date of enrolment on to the
APC and the commencement of professional training and experience. The HKIS expressly reserves the right to impose a later date of enrolment and commencement of the professional training and experience at its absolute discretion. Only professional training and experience on the date of commencement of the APC scheme thereafter will be counted.

3.3.3 Entries in the Diary must describe clearly and concisely the actual work done. Entries in any one week must appear only on the page relating to that week. Further sections of the Diary, if needed, may be obtained from the HKIS office.

3.3.4 Where appropriate candidate may record his or her experience in the days of work of a week.

3.3.5 In the event of a change of employment the Diary is to be continued in the usual way, save and except a clear indication to show such a change (e.g., a line drawn across the page together with details of the new employment and the date). The change of employment should also be stated on the first page of the Diary.

3.3.6 The Diary must be signed by the candidate himself or herself and the Supervisor on a weekly basis.

3.3.7 If the Diary is lost candidates are likely to be required to complete a further period of approved professional training and experience.

3.3.8 Candidates are required to complete the Log Book issued by the Institute as a record of their professional experience in the chronological order.

3.3.9 The Log Book must be signed by the candidate and countersigned by the Supervisor and Counselor every three months.

3.3.10 In each and every submission of the Log Book submitted to the HKIS, there must be a mention of total number of the days spent on each area of experience.

5.4 Interim Submission

5.4.1 Subject to Section 5.2, candidates who

i. being probationers holding a cognate degree, in fulfilling the requirement of (minimum) 24 months' professional training, shall submit to the HKIS the Interim Submission in respect of the first twelve months' professional training and experience acquired, within one month after the completion of the first twelve months (not less than 220 working days); and

ii. being probationers holding a non-cognate degree, in fulfilling the requirement of (minimum) 36 months' professional training shall
submit to the HKIS the Interim Submission in respect of their recorded training experience obtained counting from the commencement of the APC Scheme up to the last day of the month preceding the date of submission, which interim submission must be made within the period of the 14th month to 24th months from the date of enrolment.

5.4.2 The Interim Submission, as referred to in Section 5.4.1, to be submitted by the Candidates shall comprise the following:

a) a duly completed Form APC5/OP;

b) the Log Book with the relevant area columns totalled as required in paragraph 5.2.10 above; and

c) an interim report of not less than 2,000 words prepared by the candidate, in a format of his/her choice, of the professional training and experience obtained, including the types of work undertaken, the level of responsibility held, the geographical area or areas in which the training/experience was gained, the types of property, assets or other matters dealt with, techniques used for analysis and/or the way the matters or issues are dealt with, and the lessons learnt together with a record of activities undertaken as a requirement of Section 6 below.

5.4.3 The Interim Submission must be certified by the Counsellor and Supervisor as being the candidate’s own unaided work and a true and faithful reflection of his/her training and experience.

5.4.4 Interim submission is one of the pre-requisites for candidates to proceed to the Part II Assessment. Delay in submission of the interim report and Log Book may affect the candidate’s eligibility to attend the Part II Assessment (see Section 7 below). For the avoidance of doubt, candidates will not be allowed to sit for the Part II Assessment if the period between the date of their interim submission and the last date of enrolment for the Part II Assessment they wish to attend is less than 9 clear months.

5.4.5 The HKIS will retain the assessors’ guidance on your report for reference at the Part II Assessment interview (see Section 7 below). The Log Book will be returned to the individual candidates with a note of advice

a) on whether the professional training and experience described are satisfactory;

b) if not completely satisfactory, on the course of action which you and/or your employer should take in order to satisfy the Institute’s requirements; and
c) if appropriate, or the shortcomings of the report as an example of work of a person who aspires to the HKIS professional qualification.

5.1.6 The above should be strictly observed.

5.5 Final Submission

5.5.1 When the candidate's application to attend the Part II Assessment is accepted, the candidate is required to submit to the HKIS a final submission for the purpose of the Part II Assessment, which submission must be made one month before the scheduled time of the Part II Assessment. Candidates will be informed of the timetable of the application and submission as well as the actual dates of the Assessment(s) via announcements of the HKIS website.

5.5.2 A final submission shall comprise the following:

a) A report of approximately 1,000 words describing the types of work undertaken since your interim report; the geographical area or areas in which the training and experience was gained; the types of property, assets or other matters dealt with; the way the matters or issues are dealt with in the analysis that was employed so as to tackle the matters arising; the levels of responsibility held;

b) For the purpose of presentation during the interview of the Part II Assessment, a critical analysis in respect of a project undertaken during the minimum training period, one of the three areas of professional work experience as recorded in the Log Book, identifying the objectives/instructions, the techniques used/the method of analysis employed and lessons learned;

c) A report on a project undertaken during the period in which the approved professional training was acquired; and

d) A summary of not less than 500 words of the pre-qualification structured learning you have undertaken.

5.5.3 Either the Critical Analysis or the Report as required under Section 5.5.2(b) and (c) above respectively must be a valuation case.

5.5.4 The projects chosen must be based in Hong Kong.

5.5.5 It is the candidate's own duty to obtain his or her employer's prior consent to the disclosure of the matters/information mentioned in the Critical Analysis and the Report in the final submission.

5.5.6 The final submission must contain a certification by the candidate's Counsellor and Supervisor that the final submission including the Critical
Analysis and the report is the candidate's own unaided work and that the final submission is a true and faithful reflection of the candidate's professional training and experience during the period in question.

S.5.7 Candidates are requested to keep copies of their own so that further copies can be provided in the event that the documents submitted cannot be located.

6. PRE-QUALIFICATION STRUCTURED LEARNING

6.1 Candidates are required to attend at their own cost a mandatory 40 hours programme designed for the preparation of the Part I Assessment, and will not be allowed to apply for the Part I Assessment if they fail to obtain 80% attendance.

6.2 In addition to the mandatory programme as stated in Section 6.1, candidates are required to undertake pre-qualification structured learning (PQSL) of at least 20 hours structured education and training per year. This may consist of any of:

(a) courses or technical meetings organised by:

(i) the HKIS;

(ii) universities, polytechnics or vocational training institutes;

(iii) other professional bodies; and

(iv) other relevant course-providers;

(b) special courses or training events or discussion meetings on technical topics or topics affecting the profession organised by the Candidate's employer;

(Note: Competent persons should be in charge of the proceedings, the subject should be announced in advance and the meetings be one with a formalised structure).

(c) structured reading;

(Note: Prescribed pre-course reading may be counted as structured reading.

(iii) Regular reading of professional journals may not normally be counted as structured reading.

(iii) Time recorded under this item shall not exceed one-third of the total required time)
d) correspondence courses, or other supervised study packages, being a programme of reading or recorded lectures;

e) research or postgraduate studies except those accepted under the "Special Requirements for Research Experience" as stated in Annex 1;

f) publication of technical work.

6.3 The following information should be recorded in respect of all the time spent on structured learning:

a) date of event;

b) duration of event;

c) description of learning undertaken; and

d) location of event.

6.4 The education and training in paragraph 6.2 above should either relate to the work of qualified Surveyors in General Practice as defined in the Annex 1 or be designed to develop the candidate's management skills.

7. THE PART I ASSESSMENT

7.1 Candidates under the APC Scheme may take the Part I Assessment as early as in the first year of their APC enrolment.

7.2 Only candidates who have already acquired 9 months of professional training and experience may apply for the Part I Assessment.

7.3 Only candidates who have completed the mandatory 40 hours programme designed for preparation of the Part I Assessment to the satisfaction of the HKIS and subject to 80% minimum attendance will be allowed to apply for the Part I Assessment.

7.4 Part I Assessment comprises 4 written examinations on the following subjects: (a) valuation; (b) agency and asset management; (c) essential laws relating to general practice surveying, including land law and landlord & tenant law; and (d) urban land economics.

7.5 Details of the four papers of the Part I Assessment are set out in Annex II.

7.6 Candidates taking Part I Assessment for the first time must take examinations of all four subjects mentioned in Section 7.3 above. Those candidates who fail all examinations or pass examination of only one subject must re-take Part I Assessment of all four subjects. These
candidates who pass examinations of two or three subjects are required to re-take a referral examination of the subject(s) they failed. Candidates who wish to take referral examination(s) of Part I Assessment must at the time of application fulfill the requirement as stated in Section 9.1 below.

7.7 Those candidates who failed four (4) referral examinations are required to take Part II Assessment, as if they were taking it for the first time as referred to in Section 7.5 above.

8. **THE PART II ASSESSMENT**

8.1 The Candidate is eligible to take the Part II Assessment on the following conditions:

(a) The candidate has passed the Part I Assessment and has acquired at the time of the application not less than 21 months of professional training and experience; a shorter period may be approved by the HKIS, which approval will only be granted as an exceptional case; or

(b) If the Candidate has not passed the Part I Assessment but has obtained the required training and/or experience as stated in (a) above, the Candidate may apply for the Part I and Part II Assessment in one application, in which case he or she, if having passed the Part I Assessment, may continue to attend the Part II Assessment that follows.

8.2 Part II Assessment takes the form of an oral assessment by way of an interview (about 60 minutes) in the presence of a panel of 3 assessors, namely, a chairman and two panel assessors, during which:

(a) The Candidate will make a presentation of the project, the subject of Critical Analysis in his or her Final Submission for about 10 to 15 minutes, and

(b) After the presentation, there will be a question and answer session in which the candidate will answer questions raised by the panel relating to (1) the presentation; (2) the report on another project; (3) professional practice of a general practice surveyor and (4) professional conduct and ethics; and

(c) Time allocation and the nature of questions to be raised are at the discretion of the panel.

8.3 During the interview (preceding before the presentation), the Candidate will have to provide the Assessors with the full Diary and Log Book entries covering experience gained during the whole period of the APC scheme.

8.4 Detailed arrangements for the Part II Assessment are set out in Annex III.

8.5 Those who fail the Part II Assessment may re-take it for a maximum of four times.
8.6 Those who wish to retake the Part II Assessment, must at the time of application fulfill the requirement as stated in Section 9.2 below.

8.7 Those fail the Part II Assessment for 5 times must take Part I Assessment as if they were taking Part II Assessment for the first time.

9. REFFERED CANDIDATES

9.1 If the Candidate fails the Part I Assessment and would wish to retake the same, he or she must however complete a further minimum 90 days relevant professional training before the next attendance of the Part I Assessment.

9.2 If the Candidate fails the Part II Assessment and would wish to retake the same, he or she must complete a further minimum 90 days relevant professional training before attending the Part II Assessment.

9.3 In respect of the final submission for the referred candidates, referred candidates are only required to submit a Critical Analysis of a project that has never been reported on presented before under the APC Scheme. The referred candidates should continue to undertake the pre-qualification structured learning and include a summary of such learning in the pre-assessment report. The Critical Analysis for the purpose of the Part II Assessment for the referred candidates need not be a valuation case.

9.4 Applications must be accompanied by the appropriate re-assessment fee which will be payable for each successive re-assessment.

9.5 Referred candidates will be given an advisory report for the Part II Assessment by the Chairman of the panel or, in the case of all three assessors of the same panel.

9.6 There is no right of appeal against the Panel’s decision.

ANNEX I

TRAINING AND PROFESSIONAL EXPERIENCE REQUIREMENT

The training and professional experience requirements are as follows:

(a) For candidates holding a cognate degree, there must be one year's experience/training before taking Part I Assessment and another one year's experience/training before taking Part II Assessment;
(b) For candidates holding a non-graduate but relevant degree, there must be one year’s experience/training before taking Part I Assessment and another two years’ experience/training before taking Part II Assessment.

(c) For candidates who have had one year’s surveying experience and are holding degrees other than a cognate degree or a non-graduate but relevant degree, there must be 1 year’s experience/training before taking Part I Assessment and two years’ experience/training before taking Part II Assessment.

(d) For those holding a cognate sub-degree or diploma, there must be 2 years or more experience/training depending on the result of accreditation before taking Part I Assessment and another three years before taking Part II Assessment.

All candidates are required to obtain and record a minimum of 440 working days of approved professional training and experience within a minimum period of 24 months from the date of registration for the Assessment of Professional Competence Scheme, which training and experience shall include the following time allocations:

a) a minimum of 100 working days in Area 1;

b) a minimum of 100 working days in one other Area, and

c) a minimum of 100 working days in one or more other Areas.

The sub-areas shown under each heading are the main areas of work which are considered to be most relevant to the main heading. It is not, however, intended to exclude other work, which may be recorded under “other relevant professional experience”.

It is accepted that work in certain sub-areas may not normally be carried out by the candidates involved.

The Log Book analysis is intended to show how the candidates have achieved the required balance. The Log Book will have a separate space to record the Pre-Qualification Structured Learning undertaken. (Please refer to Section 6).

The Areas of experience are as follows:

**AREA 1  VALUATION OF LAND AND BUILDINGS IN RELATION TO CAPITAL AND RENTAL VALUES.**

1.1 Inspection, measurement and/or survey of property

1.2 Assembly of data and comparables and their analysis.

1.3 Preparation of valuations, reports and recommendations (see note below).

1.4 Preparation of evidence and negotiation.

1.5 Other relevant professional experience
AREA 2  ASSET MANAGEMENT I INCLUDING ESTATE MANAGEMENT PRACTICE

2.1 Inspection, measurement and/or survey of property.

2.2 Property management.

2.3 Advice on and analysis of deeds, leases and agreements.

2.4 Improvements and dilapidations.

2.5 Other advice on condition of property in relation to its management.

2.6 Grants, surrenders, termination and renewal of leases, and rent reviews.

2.7 Preparation of evidence and negotiation.

2.8 Land administration, monitoring development on leased land and land control.

2.9 Other relevant professional experience.

AREA 3  ASSET MANAGEMENT II AND AGENCY PRACTICE

3.1 Inspection, measurement and/or survey of property.

3.2 Advice on sites, purchases, lettings and development options.

3.3 Transaction by private treaty, auction, tender, exchange of land and modification of lease conditions.

3.4 Portfolio and investment analysis.

3.5 Preparation of consideration of sale particulars, purchase reports, auction catalogues, posters, tender and funding documents.

3.6 Maintenance of property and applicants’ registers.

3.7 Advertising and marketing.

3.8 Preparation of evidence and negotiation.

3.9 Other relevant professional experience.

AREA 4  SATUTORY VALUATION I – PROPERTY TAXATION AND RATING

4.1 Inspection, measurement and/or survey of property.
4.2 Analysis of sales, rentals, other transactions and rating assessments.

4.3 Interpretation of Ordinances and case law.

4.4 Valuation for property taxation or rating purposes.

4.5 Advice on matters relating to the valuation of property for property taxation or rating purposes.

4.6 Preparation and submission of statutory documents in connection with alterations of assessment.

4.7 Preparation of evidence, and negotiation of valuations for taxation or rating purposes.

4.8 Preparation of evidence for and the attendance at appeal hearings.

4.9 Other relevant professional experience.

AREA 5 STATUTORY VALUATION - COMPULSORY ACQUISITION AND COMPENSATION

5.1 Inspection, measurement and/or survey of property.

5.2 Preparation of, consideration of, and advice on valuation and claims for compensation.

5.3 Participation in and advice on resumption procedures under relevant Ordinances.

5.4 Preparation of evidence for and negotiation of compensation claims.

5.5 Other relevant professional experience.

AREA 6 BUILDING CONSULTANCY INCLUDING REPAIRS AND MAINTENANCE

6.1 Inspection, measurement and/or survey of property.

6.2 Preparation of reports and specifications or schedules for works, including structural surveys and dilapidations.

6.3 Estimating, obtaining tenders, placing contracts and supervising builders' works, settlement of accounts and financial management.

6.4 Maintenance planning and budgeting.
6.5 Preparation of evidence and negotiation.
6.6 Other relevant professional experience.

AREA 7  PLANNING AND DEVELOPMENT

7.1 Inspection, measurement and/or survey of property.
7.2 Advice on matters relating to planning policy and redevelopment.
7.3 General advice on planning matters.
7.4 Preparation, submission and processing of planning applications including any necessary plans.
7.5 Preparation and submission of evidence for planning inquiries and appeals.
7.6 Site and project appraisal and feasibility studies.
7.7 Preparation of development briefs and plans.
7.8 Project management and control.
7.9 Arrangement of development funding and finance.
7.10 Other relevant professional experience.

AREA 8  PROPERTY RESEARCH

8.1 Investment strategy.
8.2 Property strategy.
8.3 Occupational research.
8.4 Location research.
8.5 Economic analysis.
8.6 Computer applications, research and the preparation of specifications for the development of valuation systems.
8.7 Research and analysis of relevant legislation.
8.8 Analysis and investigation of Court decisions and case law in appeal cases.
8.5 Other relevant professional experience.

AREA 9 HOUSING POLICY / PROVISION

9.1 Assessment of housing demand in an area or need for separate tenure structures.

9.2 The formulation of advice on policies and programmes in respect of housing development and the implementation of such policies and programmes.

9.3 Survey, selection, acquisition and disposal of landed property for development, redevelopment, renovation or conversion.

9.4 Appraisal, reporting, and consideration of schemes for housing provision, including legal requirements in connection with such schemes.

9.5 Negotiations with statutory authorities in respect of housing development, including appropriate appeals procedures.

9.6 Negotiations with agencies in public and/or private sectors in respect of the funding of housing schemes.

9.7 Preparation and coordination of development briefs and project control in respect of housing schemes.

9.8 Consideration, consultation upon and definition of design and management requirements in respect of special needs housing.

9.9 Assessment of financial viability of development schemes for housing provision, of costs in use and future management costs.

9.10 Preparation and presentation of reports to committees, working parties, principals, clients, etc., use of computer systems to aid such operations.

9.11 Other relevant professional experience.

AREA 10 HOUSING MANAGEMENT

10.1 The formulation of advice on policies and programmes in respect of housing management, and on implementation of policies and programmes for a substantial housing landlord.

10.2 Assessment of households’ housing circumstances and requirements.
10.3 Maintenance of a housing applicants register, allocations and nominations in housing tenures.

10.4 Management of housing accommodation and ancillary amenities (including any commercial lettings); participation in tenant consultation and liaison with social services and other relevant agencies.

10.5 Rent assessment, preparation of tenancy agreements, leases or licences (including surrender and renewal), rent collection and accounting, recovery of arrears and possession, including attendance at Court or Tribunals.

10.6 Administration of tenant purchase schemes, including property inspections, valuation, calculation of service charges and mortgage advice in applications.

10.7 Preparation and presentation of reports to committees/working parties/principal officer etc.

10.8 Use of computer systems of practical relevance to housing management operations.

10.9 Other relevant professional experience.

AREA 11 BUSINESS VALUATION

11.1 Classification of asset valuation and business enterprise valuation

11.2 Equity valuation, applications and process

11.3 Free cash flow valuation

11.4 Market-based valuation

11.5 Valuation reporting

11.6 Other relevant professional experience

Special Requirements for Research Experience

The candidate may offer experience of up to 12 months of original research activities towards their professional experience. Their work must relate to at least one of the areas of experience within the principal areas set out in this Annex, and it must have a practical application, rather than being purely academic in nature. It may comprise:
(a) Research for a single project carried out at an academic institution mainly by the Candidate but under direction, with the report on the research being the candidate’s sole work; or

(b) Research carried out as part of a team in a recognized research department of a private firm, company, government department or statutory authority, in which the candidate, under direction, was mainly responsible for research projects and for reports for clients of the candidate’s employer.

If the Candidate wishes to offer such a period of research they must submit for prior approval. A detailed synopsis of the research project is required in the submission in the case of (a) above. He may be called for interview before the proposals are accepted.

The research must begin after the Candidates have completed the recognized academic courses. Work carried out during or submitted for assessment in a first-degree course is not acceptable under (a) above. However, work carried out for a higher degree may be acceptable.

If the research activities take the form of a single research project undertaken at an academic institution under (a) above, the Candidate must prepare, and submit with their application for final assessment, a 3000 word report of the research which will be assessed in Part of the Business Diary and Log Book and report for that period. If the research is not complete a suitably detailed progress report of the research to date must be prepared and submitted.

If the research is undertaken as part of a team under (b) above and recorded on the log sheet it should form part of the report required under Section 5.3 above.

The research report required must be signed by the Counsellor, certifying that it is all the candidate’s own work.

The Candidate may be questioned at the Part II Assessment on the research work undertaken, the relevant experience gained, and its relevance to professional practice.

ANNEX II

Subject Areas of the Part I Assessment

Objectives

1. The Part I Assessment is to ensure that the Candidates under the APC Scheme have a firm grasp of the principles and knowledge of the selected four subject areas in the professional practice of a competent general practice surgeon.
The Subject Areas

2. Valuation includes (1) valuation of buildings and land; (2) statutory valuation—rating, valuation and reassessment; (3) development appraisal; and (4) business valuation.

3. Agency Practice and Asset Management focus on (1) the whole process of acquisition/selection or marketing process, (2) the management of properties/land for investment purposes and (3) the management of owner-occupied buildings.

4. Laws related to General Practice Surveying cover selected topics on land law and law of landlord and tenant, together with some topics related to professional practice of a general practice surveyor such as company structure, corporate governance.

5. Urban land economics and analysis of urban problems

The Assessment

6. The assessment is by way of written examination on each of the above subject areas.

7. The result is only one of 'Pass' or 'Fail' of individual subjects

8. In the event of a marginal case, a pass may be given subject to the condition of further taking of PQSL after consideration of the Candidate's performance in the mandatory 40-hour PQSL.

9. If a Candidate fails two subjects or less, that Candidate may take the examinations of those subjects. There is a maximum of four retakes.

10. If a Candidate fails three or four subjects, that Candidate must retake the examinations of all subjects.

ANNEX III

Arrangements for the Part II Assessment

Objectives

1. The Part II Assessment is to ensure the following:

   a) The objectives set out in Section 1 are met;

   b) The Candidates can demonstrate their understanding of the principles which underpin the professional work undertaken by them during the period of professional training and experience, and the Candidates have a broad perception of the role and responsibilities of the profession and

   c) The Candidates can express the purposes clearly both orally and in writing.

The Choice of Panel Assessors

2. There will normally be three Assessors in the oral assessment, at least one of whom may have the areas of expertise similar to the Candidate's areas of experience.
The Assessment

1. The panel of assessors will consider the Candidate’s performance and mark their ratings on specified assessment form together with their overall assessment as to whether the candidate attending the interview meet the standard a qualified professional surveyor is expected of.

4. Particular emphasis will be placed on the candidate’s ability to marshal thoughts and to express them clearly and concisely. Allowance will be made for candidates with speech impediments.

5. The ultimate and overall assessment to be considered by the panel is on the competence of the candidate in his or her professional works carried out on behalf of the client or employer.

6. A reasonably balanced professional training and experience in at least three areas of professional work is expected.

7. Reference may be made to:
   a) the Log Book;
   b) the assessor’s advice on the candidate’s interim submission; and
   c) the documents submitted during the course of the interview.

Eligibility for the Part II Assessment

8. Please refer to Section 7.1 herein above.

Time the Part II Assessment is held

9. The Part II Assessment is normally held in June and December each year. The Assessment to be held in June is for referred Candidates.

10. The deadline for the application for the Part II Assessment is normally two months before the scheduled time of the Part II Assessment.

Application Procedure for the Part II Assessment

11. To apply for the Part II Assessment, Candidates are required to complete Form APC6/GP and submit the same to the HKIS on or before the timelines referred to the preceding paragraph. Postal applications may be by recorded delivery or by ordinary post. If by ordinary post, it is for the Candidate to ensure the availability of a certificate of posting from the Post Office.
12. The HKIS will acknowledge receipt of the individual Candidate's application. CANDIDATE MUST NOTIFY THE HKIS IN WRITING IF ACKNOWLEDGMENT IS NOT RECEIVED WITHIN TWO WEEKS.

13. Applications not received by the HKIS by the specified closing date will not be entertained unless you are able to produce the proof of posting mentioned in paragraph 11 above.

14. To proceed to the Part II Assessment in December, the Candidate must, in accordance with the timetable as specified in the application form or as per subsequent announcement, submit the following:

(a) The final submission including the Critical Analysis (the project for presentation) and the Report on another project the candidate worked on; and

(b) Candidate's three passport sized photographs.

15. To proceed to the Part II Assessment in June, the Candidate must submit the same as referred to in Section 14 (a) and (b) herein above in accordance with the timetable as specified in the application form or as per subsequent announcement.

Results of the Part II Assessment

15. Candidates will be notified of the results of the Part II Assessment individually.

17. Returned Candidate will be provided with an advisory report to be issued by the chairman of the panel on behalf of all assessors of the panel.
## 作成目的・背景
本ガイダンスノートは、香港サーベイヤーズ協会の会員が受講する義務的継続研修について説明したもの。　

## 構成・概要
継続研修の内容や手続き等について具体的に記載している。

## 本文に関連する条文・記述
### 2. 継続研修受講の要請
#### 2.1 定義
継続研修は個人及びビジネス両者の機会で、それは知識やスキルのシス템ティックなメンテナンス、改善と拡大、専門的及び技術的な業務の拡張のために必要となる個人の資質の開発である。全ての会員は3年間で60時間以上の研修受講が求められ、そのうちの少なくとも15時間は公式な行事に充てる必要がある。年間では最低でも20時間の受講が要請される。会員は可能な限りより多くの継続研修を受けるように努めようにすべきである。

#### 2.2 受講区分
次表は継続研修として認められる様々な活動の早見表である。このリストは例示であって、これが全てではない。活動の選択は、個々の会員のスキルの水準に応じて慎重に行われるべきである。（表は省略）

| 作成目的・背景 | 本ガイダンスノートは、香港サーベイヤーズ協会の会員が受講する義務的継続研修について説明したもの。 |
| 構成・概要 | 継続研修の内容や手続き等について具体的に記載している。 |
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THE HONG KONG INSTITUTE OF SURVEYORS

Guidance Notes for

MANDATORY
CONTINUING PROFESSIONAL DEVELOPMENT

June 2007
PREFACE

Part VII of the Bye-Laws stipulates that "All Corporate Members and Technical Associates of the Institute shall maintain a high level of competence in professional practice and technical performance and are obligatory to undertake continuing professional development (CPD) and lifelong learning (LLL) to enhance their professional and technical competence." It also provides that "The General Council may from time to time issue regulations and guidance notes on mandatory continuing professional development administered by the Board of Professional Development."

Professional surveyors and Technical Associates are expected to not only excel in their own specialties, but also keep up with the latest developments in all related areas and in various forms, including community and social service. This will not only enhance the self-esteem and capabilities of members, but also project a better image to the public. The surveying profession will thus develop as members take more time and effort to improve their skills, serve the community and enhance professional development.

持續進修 提昇專業水平 穩固基礎 發揮專長
終生學習 發展全人理想 擴張領域 激發潛能
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1. Introduction to Mandatory Continuing Professional Development

1.1 This document explains the administrative framework for mandatory continuing professional development (CPD). To record the undertaking of CPD, the Institute will issue to every member in the professional and technical grades a CPD Log Sheet. CPD Log Sheets will be sent to new members upon admission and additional copies are available upon request. New and updated CPD Log Sheets will be sent to members from time to time. Members should maintain the CPD Log Sheet and keep it safe as it will be needed for scrutiny not only by the Institute for CPD monitoring and admission to fellowship, but also possibly in the following circumstances:

➢ Insurance premium renewals
➢ Demonstration of competence to undertake specific work
➢ Job or promotion interviews
➢ Performance appraisals
➢ Client request and marketing
➢ ISO 9000 Accreditations
➢ Arbitration or dispute cases

1.2 All queries should be directed to the Education Department of the HKIE Secretariat at tel: 2376 3679 or email <education@hkies.org.hk>.

2. Requirements to undertake CPD

2.1 Definition

CPD is both a personal and business opportunity. It is 'the systematic maintenance, improvement and broadening of knowledge and skill and the development of personal qualities necessary for the execution of professional and technical duties throughout the practitioner's working life.' All corporate and technical members are required to complete a minimum requirement of 60 hours over a three-year period, of which at least 15 hours must be in the form of formal events, as described in 2.2. The annual requirement of 20 hours is a minimum guideline only. Members are encouraged to undertake and report more CPD activities if available.
2.2 What Counts

The following table provides a quick reference to the variety of activities that qualify for CPD. The list serves as examples and is not exhaustive. The choice of activity should be carefully matched to the skill level the individual member expects or would like to exhibit, and it must provide certain added knowledge.

<table>
<thead>
<tr>
<th>Types of CPD</th>
<th>Examples</th>
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<tbody>
<tr>
<td>1. Formal events (attending or presenting) <em>(15-hour minimum required within any three-year period)</em></td>
<td>- Courses, seminars, conferences</td>
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<td>- Workshops &amp; Briefing sessions</td>
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<td>- Lecturing on careers/this profession</td>
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<td>2. Structured learning and programmes <em>(subject to a maximum claim of 15 hours per module in any three-year period)</em></td>
<td>- Full/part-time study</td>
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<td>- Open/face to face learning</td>
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<td>- Research for publications</td>
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<td>- Staff training</td>
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<td>- Developing skills <em>(e.g. IT, business/financial skills)</em></td>
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<td>3. Community, institutional, and social services <em>(subject to a maximum claim of 15 hours in any three-year period)</em></td>
<td>- Divisional council and Board attendance</td>
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<td>- Special working groups</td>
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<td>- APC assessor preparation and assessment</td>
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<td>- External examiner</td>
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<td>- Professional interviews</td>
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<td>- Delivering ideas to public meetings</td>
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<td>- Voluntary work for the community</td>
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<td>4. Private study <em>(subject to a maximum claim of 15 hours in any three-year period)</em></td>
<td>- Use of audio, video, or multi-media resources &amp; HIKIS library services.</td>
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</table>
2.5 HKIS Committee Meetings

Attendance at official HKIS committee meetings may be credited for up to one hour of CPD for each meeting in part thereof attended, up to a maximum of five hours in any CPD year. Qualifying meetings include General Council, Executive Committee, Divisional Councils, Standing Committees, Boards, Panels, and working groups that meet on a regular basis.

3. Checking Compliance

3.1 Throughout the year, the Institute carries out CPD spot-checks on a percentage of the membership. When asked to submit CPD details, members should keep the original and submit a copy of the CPD Log Sheet for the period specified, normally the previous three years. Supporting documents such as receipts, tickets, and certificates are normally not required to be submitted, but should be retained in case more information on a particular item is requested.

3.2 All professional and technical members of the Institute are obliged to undertake self-development and keep an account of their CPD until they retire fully. Members who are exempted from payment of the annual subscription are deemed to have retired. Non-resident and non-practising members are required to fulfill a pro-rata 50% of the requirement during the period of non-residency or non-practice.

3.3 Members who are not able to provide adequate evidence to support the fulfillment of the required CPD hours shall be required to be reviewed in one year time. It is expected that the member will complete a minimum of 20 hours of CPD during that year, and continue to accumulate more CPD hours as other members do. Cases of continuing non-compliance of this requirement shall be dealt with individually by the Board of Professional Development and the General Council as appropriate.
4. **CPD Events organized by the Institute**

The CPD events that qualify for CPD hours are those organized in the following ways, whether held locally or outside Hong Kong:

- By individual Divisions and the Young Surveyors Group (YSG).
- By the HKIS jointly with other organizations.
- By individual Divisions and the YSG jointly with other organizations.
- By other organizations with the endorsement and support of the HKIS.

5. **CPD Events organized by other Organizations**

5.1 Any course, presentation, conference, or similar event organized by any organization, whether held locally or outside Hong Kong, may count towards CPD hours if they contribute to relevant added learning to HKIS members. Such events however need not be formally validated for CPD purposes, which is at the sole discretion of the HKIS.

5.2 To qualify for CPD hours, events should generally satisfy the following requirements:

- They enhance the member's professional or technical knowledge
- They update the member's knowledge of wider issues affecting the surveying profession
- They enhance and broaden the member's business, managerial, legal, and related skills
- They introduce the member to practices in other countries, other professions, or other organizations allied to the surveying profession
6. Attendance Records

6.1 Attendance at events organized by HKIS will be recorded in the computerised CPD database in the HKIS office. This is an administrative record of attendance of events and is not a substitute for members’ CPD records. Nonetheless, members may be allowed access to such database to verify their own records.

6.2 It is advisable to keep all receipts for attendance, tickets, and other evidence of attendance in case they are required for verification purposes.

7. Calculation of CPD Hours

7.1 To qualify for CPD, an event must last for a minimum of half an hour.

7.2 Hours counted should be net of travelling time to the event, and should exclude breaks of longer than half an hour unless another CPD activity takes place during the break (e.g., lunch time speaker during a conference).

7.3 CPD hours should be rounded up to the nearest half hour.

7.4 Individual events will only count for a maximum of ten hours unless specifically endorsed by the Institute.

7.5 In the event of a dispute over accountability, the number of hours to be counted, or attendance at a CPD event, the decision of the Institute shall be final.
Annex – Sample CPD Log Sheet

<table>
<thead>
<tr>
<th>Name</th>
<th>Division</th>
<th>Grade</th>
<th>Mem. No.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>CPD Event</th>
<th>Details</th>
<th>Organizer</th>
<th>Speaker</th>
<th>Hours</th>
<th>Cumulative Hours</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Type of CPD Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Formal events</td>
</tr>
<tr>
<td>2</td>
<td>Structured learning and programmes</td>
</tr>
<tr>
<td>3</td>
<td>Community, institutional, and social services</td>
</tr>
<tr>
<td>4</td>
<td>Private study</td>
</tr>
</tbody>
</table>
[Ⅱ] 不動産鑑定士の独立性確保のための制度及び実務慣行

1. アメリカ

（1）関係機関共通鑑定評価ガイドライン（OCCほか）

*Interagency Appraisal and Evaluation Guidelines*

*Financial Institutions Reform, Recovery, and Enforcement Act of 1989*

| 作成目的・背景 | 米国の不動産金融取引に関連する機関を傘下に有する Officer of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), the National Credit Union Administration (NCUA) が公布。
リーマンショックを教訓に、不動産関連金融取引を支える不動産鑑定および評価に関する監督事項について提起。
本ガイドラインに基づき、OCC, FRB, FDIC, OTS, NCUA は、傘下の機関に対し、不動産金融（貸出）に関する指針を文書化するよう求めている。
|
| 構成・概要 | 不動産鑑定および評価の独立性・中立性を確保するにあたっての各種事項が記載されている。
外部委託を行う不動産鑑定については、不動産鑑定士の選定手順・契約、遵守すべき評価基準、成果品である評価書の内容等。
内部審査で行う評価については、評価内容・基準等。
|
| 本文に関連する条文・記述 | *Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)*
（FIRREA は、1980 年代米国における貯蓄貸付に関する金融危機を発端に策定された米国連邦法）
FIRREA の XI 章（Title XI）が、不動産鑑定評価基準の監督に関する条項であり、FIRREA の Title XI に基づき、本ガイドラインが公布されている。
TO THE OFFICER IN CHARGE OF SUPERVISION AND APPROPRIATE SUPERVISION AND EXAMINATION STAFF AT EACH FEDERAL RESERVE BANK

SUBJECT: Interagency Appraisal and Evaluation Guidelines

The federal financial institution regulatory agencies\(^1\) (collectively, the agencies) are issuing the attached Interagency Appraisal and Evaluation Guidelines (Guidelines) to clarify the agencies' real estate appraisal regulations and to provide institutions and examiners with supervisory guidance for a prudent appraisal and evaluation program. The Guidelines incorporate recent developments regarding appraisals and evaluations and supersede existing guidance.\(^2\)

The new Guidelines are based on the core principles of the 1994 Guidelines and incorporate other appraisal-related guidance documents. In summary, the Guidelines address:

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1. The new Guidelines are based on the core principles of the 1994 Guidelines and incorporate other appraisal-related guidance documents. In summary, the Guidelines address:
- Independence of an institution's appraisal and evaluation program from influence by the loan production process and business.

- Minimum appraisal standards that an appraisal must meet to comply with the Board's appraisal regulations.

- An explanation of the Uniform Standards of Professional Appraisal Practice (USPAP), which are incorporated by reference in the agencies' appraisal regulations, and the USPAP Scope of Work Rule.

- Expectations for the content of an evaluation, including the use of analytical methods or technological tools in the development of an evaluation.

- Certification that broker price opinions (BPOs) and other similar valuation methods, in and of themselves, do not comply with the minimum appraisal standards in the agencies' appraisal regulations and are not consistent with the minimum supervisory expectations for an evaluation.

- Supervisory expectations for an institution's review of appraisals and evaluations.

- An institution's policies and procedures for monitoring collateral values of its existing real estate loan portfolio and for establishing criteria for replacing or updating appraisals and evaluations, including collateral valuation requirements for loan modifications and workouts.

金融機関における、既存の不動産ローン・ポートフォリオの担保価値のモニタリング、および、鑑定および評価の変更または更新における基準の策定（ローンの条件変更や債務整理にお
- Referrals by institutions to state appraisal regulatory authorities of state-licensed or state-certified appraisers who are suspected of failing to comply with USPAP or applicable state laws or of engaging in unethical or unprofessional conduct.

A commentary on each of the real estate transaction types which are exempt from the agencies' appraisal regulations.

- Expectations for evaluations based on analytical methods and technological tools, including the use of automated valuation models and tax assessment valuations.

- Minimum appraisal standards for determining the market value of a residential tract development.

The guidelines are consistent with the Board's recent amendments to Regulation Z (Truth in Lending) on appraisal independence. Further, future revisions to the guidelines may be necessary after regulations are adopted to implement certain provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Federal Reserve Banks are asked to distribute this letter to state member banks and bank holding companies in their districts as well as to their own supervisory and examination staff as appropriate. Questions about these guidelines may be directed to Virginia M. Gibbs, Senior Supervisory Financial Analyst, at (202) 452-5221, or F. Kirk
Odeyahr, Managing Director, Policy Implementation and Effectiveness, at (202) 530-6225. Division of Banking Supervision and Regulation; or Walter R. McEwan, Senior Counsel, at (202) 452-3321, and Benjamin W. McDonough, Counsel, at (202) 452-2066 Legal Division. In addition, questions may be sent via the Board's public website.

達成準備銀行は、拡大地区の加盟銀行および銀行の持株会社に本通達を配布するとともに、必要に応じて、自らの監督・検査スタッフにも配布することが求められる。
Interagency

Appraisal and Evaluation

Guidelines

(December 2, 2010)
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Interagency Appraisal and Evaluation Guidelines

I Purpose

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the National Credit Union Administration (NCUA) (the Agencies) are jointly issuing these Interagency Appraisal and Evaluation Guidelines (Guidelines), which supersede the 1994 Interagency Appraisal and Evaluation Guidelines. These Guidelines, including their appendices, address supervisory matters relating to real estate appraisals and evaluations used to support real estate-related financial transactions. Further, these Guidelines provide federally regulated institutions and examiners clarification of the Agencies' expectations for prudent appraisal and evaluation policies, procedures, and practices.

II Background

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires each Agency to promulgate the appropriate standards for the performance of real estate appraisals in connection with "financially related transactions," which are defined as those real estate-related financial transactions that an Agency engages in, contracts for, or regulates and that require the services of an appraiser. The Agencies' appraisal regulations must require, at a minimum, that real estate appraisals be performed in accordance with generally accepted uniform appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board, and that such appraisals be in writing. An Agency may require compliance with additional appraisal standards if it makes a determination that such additional standards are required to properly carry out its statutory responsibilities. Each of the Agencies has adopted additional appraisal standards.

The Agencies' real estate lending regulations and guidelines, issued pursuant to section 304 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), require each institution to adopt and maintain written real estate lending policies that are consistent with principles of safety and soundness and that reflect consideration of the real estate lending guidelines issued as an appendix to the regulations.

1 These Guidelines pertain to all real estate-related financial transactions originated or purchased by a regulated institution or its operating subsidiary, for its own portfolio or as assets held for sale, including activities of commercial and residential real estate mortgage operations, capital market groups, and asset securitization and sales units.


5 Supra Note 3.

6 Id.


10 NCUA's general lending regulation addresses residential real estate lending by federal credit unions, and its member business loan regulation addresses commercial real estate lending. 12 CFR 701.71; 12 CFR part 723.
The real estate lending guidelines state that an institution’s real estate lending program should include an appropriate real estate appraisal and evaluation program.

IV. Supervisory Policy

An institution’s real estate appraisal and evaluation policies and procedures will be reviewed as part of the examination of the institution’s overall real estate-related activities. Examiners will consider the size and the nature of an institution’s real estate-related activities when assessing the appropriateness of its program.

While borrowers’ ability to repay their real estate loans according to reasonable terms remains the primary consideration in the lending decision, an institution also must consider the value of the underlying real estate collateral in accordance with the Agencies’ appraisal regulations. Institutions that fail to comply with the Agencies’ appraisal regulations or to maintain a sound appraisal and evaluation program consistent with supervisory guidance will be cited in supervisory letters or examination reports and may be criticized for unsafe and unsound banking practices. Deficiencies will require appropriate corrective action.

When analyzing individual transactions, examiners will review an appraisal or evaluation to determine whether the methods, assumptions, and value conclusions are reasonable. Examiners also will determine whether the appraisal or evaluation complies with the Agencies’ appraisal regulations and is consistent with supervisory guidance as well as the institution’s policies. Examiners will review the steps taken by an institution to ensure that the persons who perform the institution’s appraisals and evaluations are qualified, competent, and are not subject to conflicts of interest.

IV. Appraisal and Evaluation Program

An institution’s board of directors or its designated committee is responsible for adopting and reviewing policies and procedures that establish an effective real estate appraisal and evaluation program. The program should:

- Provide for the independence of the persons ordering, performing, and reviewing appraisals or evaluations.
- Establish selection criteria and procedures to evaluate and monitor the ongoing performance of appraisers and analysts who perform evaluations.
- Ensure that appraisals comply with the Agencies’ appraisal regulations and are consistent with supervisory guidance.
- Ensure that appraisals and evaluations contain sufficient information to support the credit decision.
- Maintain criteria for the content and appropriate use of evaluations consistent with safe and sound banking practices.
- Provide for the receipt and review of the appraisal or evaluation report in a timely manner to facilitate the credit decision.

- Develop criteria to assess whether an existing appraisal or evaluation may be used to support a subsequent transaction.

- Implement internal controls that promote compliance with these program standards including those related to monitoring third party arrangements.

- Establish criteria for monitoring collateral values.

- Establish criteria for obtaining appraisals or evaluations for transactions that are not otherwise covered by the appraisal requirements of the Agencies' appraisal regulations.

V Independence of the Appraisal and Evaluation Program

For both appraisal and evaluation functions, an institution should maintain standards of independence as part of an effective collateral valuation program for all of its real estate lending activity. The collateral valuation program is an integral component of the credit underwriting process and, therefore, should be isolated from influence by the institution's loan production staff. An institution should establish reporting lines independent of loan production for staff who administer the institution's collateral valuation program, including the ordering, reviewing and acceptance of appraisals and evaluations. Appraisers must be independent of the loan production and collection processes and have no direct or indirect prospective interest, financial or otherwise, in the property or transaction. These standards of independence also should apply to persons who perform evaluations.

For a small or rural institution or branch, it may not always be possible or practical to separate the collateral valuation program from the loan production process. In such cases, another loan officer, other officer, or director of the institution may be the only person qualified to analyze the real estate collateral. To ensure their independence, such lending officials, officers, or directors must abstain from any vote on approval involving loans on which they ordered, performed, or reviewed the appraisal or evaluation.

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1 The Agencies' appraisal regulations set forth specific appraisal independence requirements that exceed those set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). Institutions also should be aware of separate requirements or conflicts of interest under Regulation Z (Truth in Lending), 12 CFR 1026.

2 NCUA has recognized that it may be necessary for credit union loan officers or other officials to participate in the appraisal or evaluation function although it may be sound business practice to ensure no single person has the sole authority to make credit decisions involving loans on which the person ordered or reviewed the appraisal or evaluation. 55 FR 5514, 5518 (February 16, 1990), 55 FR 7613, 7626 (March 25, 1990).
Communication between the institution's collateral valuation staff and an appraiser or person performing an evaluation is essential for the exchange of appropriate information relative to the valuation assignment. An institution's policies and procedures should specify methods for communication that ensure independence in the collateral valuation function. These policies and procedures should foster timely and appropriate communications regarding the assignment and establish a process for responding to questions from the appraiser or person performing an evaluation.

An institution may exchange information with appraisers and persons who perform evaluations, which may include providing a copy of the sales contract for a purchase transaction. However, an institution should not directly or indirectly coerce, influence, or otherwise encourage an appraiser or a person who performs an evaluation to misstate or misrepresent the value of the property. Consistent with its policies and procedures, an institution also may request the appraiser or person who performs an evaluation to:

- Consider additional information about the subject property or about comparable properties.
- Provide additional supporting information about the basis for a valuation.
- Correct factual errors in an appraisal.

An institution's policies and procedures should ensure that it avoids inappropriate actions that would compromise the independence of the collateral valuation function, including:

- Communicating a predetermined, expected, or qualifying estimate of value, or a loan amount or target loan-to-value ratio to an appraiser or person performing an evaluation.
- Specifying a minimum value requirement for the property that is needed to approve the loan or as a condition of ordering the valuation.
- Conditioning a person's compensation on loan consummation.
- Failing to compensate a person because a property is not valued at a certain amount.

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12. See 12 CFR 226.36(b) under Regulation Z (Truth in Lending) through March 31, 2011. Also refer to 12 CFR 226.42, which is mandatory beginning on April 1, 2011. Regulation Z also prohibits a creditor from extending credit when it knows that the appraiser is an associated party. Standards in 12 CFR 226.42 include the requirement that the value of the property is not materially misstated.


15. This provision does not provide an exception from withholding compensation from an appraiser or person who provided an evaluation based on a breach of contract or substandard performance of services under a contractual provision.
• Implying that current or future retention of a person’s services depends on the amount at which the appraiser or person performing an evaluation values a property.

• Excluding a person from consideration for future engagement because a property’s reported market value does not meet a specified threshold.

After obtaining an appraisal or evaluation, or as part of its business practice, an institution may find it necessary to obtain another appraisal or evaluation of a property and would be expected to adhere to a policy of selecting the most credible appraisal or evaluation, rather than the appraisal or evaluation that states the highest value. (Refer to the Reviewing Appraisals and Evaluations section in these Guidelines for additional information on determining and documenting the credibility of an appraisal or evaluation.) Further, an institution’s reporting of a person suspected of non-compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), and applicable federal or state laws or regulations, or otherwise engaged in other unethical or unprofessional conduct to the appropriate authorities would not be viewed by the Agencies as coercion or undue influence. However, an institution should not use the threat of reporting a false allegation in order to influence or coerce an appraiser or a person who performs an evaluation.

VI. Selection of Appraisers or Persons Who Perform Evaluations

An institution’s collateral valuation program should establish criteria to select, evaluate, and monitor the performance of appraisers and persons who perform evaluations. The criteria should ensure that:

• The person selected possesses the requisite education, expertise, and experience to competently complete the assignment.

• The work performed by appraisers and persons providing evaluation services is periodically reviewed by the institution.

• The person selected is capable of rendering an unbiased opinion.

• The person selected is independent and has no direct, indirect, or prospective interest, financial or otherwise, in the property or the transaction.

• The appraiser selected to perform an appraisal holds the appropriate state certification or license at the time of the assignment. Persons who perform evaluations should possess the appropriate appraisal or collateral valuation education, expertise, and experience relevant to the type of property being valued. Such persons may include appraisers, real estate lending professionals, agricultural extension agents, or foresters. 1

1 Although not required, an institution may use state certified or licensed appraisers to perform evaluations. Institutions should refer to USPAP Adverse Opinion. 12 for guidance on appraisers performing evaluations of real property collateral.
An institution or its agent must directly select and engage appraisers. The only exception to this requirement is that the Agencies' appraisal regulations allow an institution to use an appraisal prepared for another financial services institution provided certain conditions are met. An institution or its agents also should directly select and engage persons who perform evaluations. Independence is compromised when a borrower recommends an appraiser or a person to perform an evaluation. Independence is also compromised when loan production staff selects a person to perform an appraisal or evaluation for a specific transaction. For certain transactions, an institution also must comply with the provisions addressing valuation independence in Regulation Z (Truth in Lending).\(^2\)

An institution's selection process should ensure that a qualified, competent, and independent person is selected to perform a valuation assignment. An institution should maintain documentation to demonstrate that the appraiser or person performing an evaluation is competent, independent, and has the relevant experience and knowledge for the market, location, and type of real property being valued. Further, the person who selects or oversees the selection of appraisers or persons providing evaluation services should be independent from the loan production area. An institution's use of a borrower ordered or borrower provided appraisal violates the Agencies' appraisal regulations. However, a borrower can inform an institution that a current appraisal exists, and the institution may request it directly from the other financial services institution.

A. Approved Appraiser List

If an institution establishes an approved appraiser list for selecting an appraiser for a particular assignment, the institution should have appropriate procedures for the development and administration of the list. These procedures should include a process for approving an appraiser for initial placement on the list, as well as periodic monitoring of the appraiser's performance and credentials to assess whether to retain the appraiser on the list. Further, there should be periodic internal review of the use of the approved appraiser list to confirm that appropriate procedures and controls exist to ensure independence in the development, administration, and maintenance of the list. For residential transactions, loan production staff can use a revolving, pre-approved appraiser list, provided the development and maintenance of the list is not under their control.

B. Engagement Letters

An institution should use written engagement letters when ordering appraisals, particularly for large, complex, or out-of-area commercial real estate properties. An engagement letter facilitates communication with the appraiser and documents the expectations of each party to the appraisal assignment. In addition to the other information, the engagement letter will identify the intended use and users of the report, as defined in USPAP. An engagement letter also may specify whether there are any legal or contractual restrictions on the sharing of the appraisal with other parties. An institution should include the engagement letter in its credit file. To avoid the appearance of any conflict of interest, appraisal or evaluation development work should not commence until the institution has selected and engaged a person for the assignment.

\(^2\) See 12 CFR 226.44.
VII. Transactions That Require Appraisals

Although the Agencies' appraisal regulations exempt certain real estate-related financial transactions from the appraisal requirement, most real estate-related financial transactions over the appraisal threshold are considered federally related transactions and, thus, require appraisals. The Agencies also reserve the right to require an appraisal under their appraisal regulations to address safety and soundness concerns in a transaction. (See Appendix A, Appraisal Exemptions.)

VIII. Minimum Appraisal Standards

The Agencies' appraisal regulations include minimum standards for the preparation of an appraisal. (See Appendix D, Glossary of Terms, for terminology used in these Guidelines.) The appraisal must:

- Conform to generally accepted appraisal standards as evidenced by the USPAP promulgated by the Appraisal Standards Board of the Appraisal Foundation unless principles of safe and sound banking require compliance with stricter standards. Although allowed by USPAP, the Agencies' appraisal regulations do not permit an appraiser to appraise any property in which the appraiser has an interest, direct or indirect, financial or otherwise in the property or transaction. Further, the appraisal must contain an opinion of market value as defined in the Agencies' appraisal regulations. (See discussion on the definition of market value below.) Under USPAP, the appraisal must contain a certification that the appraiser has complied with USPAP. An institution may refer to the appraiser's USPAP certification in its assessment of the appraiser's independence concerning the transaction and the property. Under the Agencies' appraisal regulations, the result of an Automated Valuation Model (AVM), by itself or signed by an appraiser, is not an appraisal, because a state certified or licensed appraiser must perform an appraisal in accordance with USPAP and the Agencies' minimum appraisal standards. Further, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) provides "[i]n conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as a primary basis to determine the value of a piece of property for the purpose of loan origination of a residential mortgage loan secured by such piece of property."

19 In order to facilitate recovery in designated major disaster areas, subject to safety and soundness considerations, the Depository Institutions Disaster Relief Act of 1992 provided the Agencies with the authority to waive certain appraisal requirements for up to three years after a Presidential declaration of a natural disaster. Pub. L. 102-185, § 2, 106 Stat. 2771 (October 23, 1992), 121181 1752
20 As a matter of policy, CFS uses its supervisory authority to require problem associations and associations in troubled condition to obtain appraisals for all real estate-related transactions over $500,000 unless the transaction is otherwise exempt. NCUA requires a written estimate of market value for all real estate-related transactions valued at the appraisal threshold or less that involve an existing extension of credit when there is either an advancement of new mortgage material change in the condition of the property. 12 CFR 722.3(d).
22 Dodd-Frank Act, Section 147(b).
The written and contain sufficient information and analysis to support the institution's decision to engage in the transaction. An institution should obtain an appraisal that is appropriate for the particular federally related transaction, considering the risk and complexity of the transaction. The level of detail should be sufficient for the institution to understand the appraiser's analysis and opinion of the property's market value. As provided by the USPAP Scope of Work Rule, appraisers are responsible for establishing the scope of work to be performed in rendering an opinion of the property's market value. An institution should ensure that the scope of work is appropriate for the assignment. The appraiser's scope of work should be consistent with the extent of the research and analysis employed for similar property types, market conditions, and transactions. Therefore, an institution should be cautious in limiting the scope of the appraiser's inspection, research, or other information used to determine the property's condition and relevant market factors, which could affect the credibility of the appraisal.

According to USPAP, appraisal reports must contain sufficient information to enable the intended user of the appraisal to understand the report properly. An institution should specify the use of an appraisal report option that is commensurate with the risk and complexity of the transaction. The appraisal report should contain sufficient disclosure of the nature and extent of inspection, and research performed by the appraiser to verify the property's condition and support the appraiser's opinion of market value. (See Appendix D, Glossary of Terms, for the definition of appraisal report options.)

Institutions should be aware that provisions in the Dodd-Frank Act address appraisal requirements for a higher risk mortgage to a consumer. To implement these provisions, the Agencies recognize that future regulations will address the requirement that the appraiser conduct a physical property visit of the interior of the mortgaged property.  

• Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units. Appraisers must analyze, apply, and report appropriate deductions and discounts when providing an estimate of market value based on demand for real estate in the future. This standard is designed to avoid having appraisals prepared using unrealistic assumptions and inappropriate methods in arriving at the property's market value. (See Appendix C, Deductions and Discounts, for further explanation on deductions and discounts.)

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22Under the law, the provisions are effective 18 months after final regulations to implement the provisions are published. 12 U.S.C. § 5611(a).
23Section 1471 of the Dodd-Frank Act added a new section 1294(e) to the Truth-in-Lending Act (15 U.S.C. 1631 et seq.).
• Be based upon the definition of market value set forth in the appraisal regulations. Each appraisal must contain an estimate of market value, as defined by the Agencies' appraisal regulations. The definition of market value assumes that the price is not affected by undue stimulus, which would allow the value of the real property to be increased by favorable financing or seller concessions. Value opinions such as "going concern value" or "value in use," or a special value to a specific property user may not be used as market value for generally related transactions. An appraisal may contain separate opinions of such values as long as they are clearly identified and disclosed.

The estimate of market value should consider the real property's actual physical condition, use, and zoning as of the effective date of the appraiser's opinion of value. For a transaction financing construction or renovation of a building, an institution would generally request an appraiser to provide the property's current market value in its "as is" condition, and, if applicable, its prospective market value upon completion and/or prospective market value upon stabilization. Prospective market value opinions should be based upon current and reasonably expected market conditions. When an appraisal includes prospective market value opinions, there should be a point of reference to the market conditions and timeframe on which the appraiser based the analysis. An institution should understand the real property's "as is" market value and should consider the prospective market value that corresponds to the credit decision and the phase of the project being funded, if applicable.

• Be performed by state certified or licensed appraisers in accordance with requirements set forth in the appraisal regulations. In determining competency for a given appraisal assignment, an institution should consider the appraiser's education and experience. While an institution must confirm that the appraiser holds a valid credential from the appropriate state appraiser regulatory authority, a state certification or license is a minimum credentialing requirement. Appraisers are expected to be selected for individual assignments based on their competency to perform the appraisal, including knowledge of the property type and specific property market.

As stated in the Agencies' appraisal regulations, a state certified or licensed appraiser may not be considered competent solely by virtue of being certified or licensed. In communicating an appraisal assignment, an institution should convey to the appraiser that the Agencies' minimum appraisal standards must be followed.

41 Under NCUA regulations, "market value" of a construction and development project is the value at the time a commercial real estate loan is made, which includes "the appraised value of land upon which the building or structure is to be built, less any items, plus the cost to build the project." 68 FR 56357, 56340 (October 1, 2003) (reaffirming in Office of General Counsel Opinion 01-04-272 (June 2, 2001); 12 C.F.R. 222.2(b).

42 See USAPR, Statement 4 on Prospective Value Opinions, for further explanation.
IX. Appraisal Development

The Agencies' appraisal regulations require appraisals for federally related transactions to comply with the requirements of USPAP, some of which are addressed below. Consistent with the USPAP Scope of Work Rule, the appraisal must reflect an appropriate scope of work that provides for 'credible' assignment results. The appraiser's scope of work should reflect the extent to which the property is identified and inspected, the type and extent of data researched, and the analyses applied to arrive at opinions or conclusions. Further, USPAP requires the appraiser to disclose whether he or she previously appraised the property.

While an appraiser must comply with USPAP and establish the scope of work in an appraisal assignment, an institution is responsible for obtaining an appraisal that contains sufficient information and analysis to support its decisions to engage in the transaction. Therefore, to ensure that an appraisal is appropriate for the intended use, an institution should discuss its needs and expectations for the appraisal with the appraiser. Such discussions should assist the appraiser in establishing the scope of work and form the basis of the institution's engagement letter, as appropriate. These communications should adhere to the institution's policies and procedures on independence of the appraiser and not unduly influence the appraiser. An institution should allow a sufficient time for the speed of delivery time to appropriately influence its appraisal trigger procedures in the appraiser's determination of the scope of work for an appraisal supporting a federally related transaction.

As required by USPAP, the appraisal must include any approach to value that is the cost, income, and sales comparison approaches that is applicable and necessary to the assignment. Further, the appraiser should disclose the rationale for the selection of a valuation approach. The appraiser must analyze and reconcile the information from the approaches to arrive at the estimated market value. The appraiser should include a discussion on market conditions, including relevant information on property value trends, demand and supply factors, and exposure time. Other information might include the prevalence and effect of sales and financing concessions, the list-to-sale price ratio, and availability of financing. In addition, an appraisal should reflect an analysis of the property's sales history and an opinion as to the highest and best use of the property. USPAP requires the appraiser to disclose whether or not the subject property was inspected and whether anyone provided significant assistance to the appraiser signing the appraisal report.

X. Appraisal Reports

An institution is responsible for identifying the appropriate appraisal report format to support its credit decisions. The institution should consider the risk, size, and complexity of the transaction and the real estate collateral when determining the appraisal report format to be specified in its appraisal engagement instructions to an appraiser.

2 See USPAP, Scope of Work Rule, Advisory Opinions 24 and 25
USPAP provides various appraisal report options that an appraiser may use to present the results of appraisal assignments. The major difference among these report options is the level of detail presented in the report. A report option that merely states, rather than summarizes or describes, the condition and information required in an appraisal report may lack sufficient supporting information and analysis to explain the appraiser's opinions and conclusions.

Generally, a report option that is restricted to a single client and intended user will not be appropriate to support most federally related transactions. These reports lack sufficient supporting information and analysis for underwriting purposes. These less detailed reports may be appropriate for real estate portfolio monitoring purposes (See Appendix D: Glossary of Terms, for the definition of appraisal report options).

Regardless of the report option, the appraisal report should contain sufficient detail to allow the institution to understand the scope of work performed. Sufficient information should include the disclosure of research and analysis performed, as well as disclosure of the research and analysis typically warranted for the type of appraisal, but omitted, along with the rationale for its omission.

XI. Transactions That Require Evaluations

The Agencies' appraisal regulations permit an institution to obtain an appropriate evaluation of real property collateral in lieu of an appraisal for transactions that qualify for certain exemptions. These exemptions include a transaction that:

- Has a transaction value equal to or less than the appraisal threshold of $250,000.
- Is a business loan with a transaction value equal to or less than the business loan threshold of $5 million, and is not dependent on the sale of, or rental income derived from, real estate as the primary source of repayment.25
- Involves an existing extension of credit at the lending institution, provided that
  - There has been no obvious and material change in market conditions or physical aspects of the property that threaten the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies, or
  - There is no advancement of new monies other than funds necessary to cover reasonable closing costs.26

For more information on real estate-related financial transactions that are exempt from the appraisal requirement, see Appendix A: Appraisal Exemptions. For a discussion on changes in market conditions, see the section on Validity of Appraisals and Evaluations in these Guidelines.

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25 NCUA regulations do not contain an exemption from the appraisal requirements specific to certain business loans.
26 NCUA's appraisal regulation requires credit unions to meet both conditions to avoid the need for an appraisal as set forth in 12 CFR 722.3(d).

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Although the Agencies' appraisal regulations allow an institution to use an evaluation for certain transactions, an institution should establish policies and procedures for determining when to obtain an appraisal for such transactions. For example, an institution should consider obtaining an appraisal as an institution's portfolio risk increases or for higher risk real estate-related financial transactions, such as those involving:

- Loans with combined loan-to-value ratios in excess of the supervisory loan-to-value limits.
- Atypical properties.
- Properties outside the institution's traditional lending market.
- Transactions involving existing extensions of credit with significant risk to the institution.
- Borrowers with high-risk characteristics.

XII. Evaluation Development

An evaluation must be consistent with safe and sound banking practices and should support the institution's decision to engage in the transaction. An institution should be able to demonstrate that an evaluation, whether prepared by an individual or supported by an analytical method or a technological tool, provides a reliable estimate of the collateral's market value as of a stated effective date prior to the decision to enter into a transaction. (Refer to Appendix B, Evaluations Based on Analytical Methods or Technological Tools.)

A valuation method that does not provide a property's market value or sufficient information and analysis to support the value conclusion is not acceptable as an evaluation. For example, a valuation method that provides a sales or list price, such as a broker price opinion, cannot be used as an evaluation because, among other things, it does not provide a property's market value. Further, the Dodd-Frank Act provides “[i]n conjunction with the purchase of a consumer’s principal dwelling, broker price opinions may not be used as the primary basis to determine the value or a piece of property for the purpose of loan origination of a residential mortgage loan secured by such piece of property.” Likewise, information on local housing conditions and trends, such as a competitive market analysis, does not contain sufficient information on a specific property that is needed, and therefore, would not be acceptable as an evaluation. The information obtained from such sources, while insufficient as an evaluation, may be useful to develop an evaluation or appraisal.

An institution should establish policies and procedures for determining an appropriate collateral valuation method for a given transaction considering associated risks. These policies and procedures should address the process for selecting the appropriate valuation method for a transaction rather than using the method that renders the highest value, lowest cost or fastest turnaround time.

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11 Dodd-Frank Act, Section 1473(e)
A valuation method should address the property's actual physical condition and characteristics as well as the economic and market conditions that affect the estimate of the collateral's market value. It would not be acceptable for an institution to base an evaluation on unsupported assumptions, such as a property is in "average" condition, the zoning will change, or the property is not affected by adverse market conditions. Therefore, an institution should establish criteria for determining the level and extent of research or inspection necessary to ascertain the property's actual physical condition, and the economic and market factors that should be considered in developing an evaluation. An institution should consider performing an inspection to ascertain the actual physical condition of the property and market factors that affect its market value. When an inspection is not performed, an institution should be able to demonstrate how these property and market factors were determined.

XII. Evaluation Content

An evaluation should contain sufficient information detailing the analysis, assumptions, and conclusions to support the credit decision. An evaluation's content should be documented in the credit file or report. The evaluation should, at a minimum:

- Identify the location of the property
- Provide a description of the property and its current and projected use
- Provide an estimate of the property's market value in its actual physical condition, use, and zoning designation as of the effective date of the evaluation (that is, the date that the analysis was completed), with any limiting conditions
- Describe the method(s) the institution used to confirm the property's actual physical condition and the extent to which an inspection was performed
- Describe the analysis that was performed and the supporting information that was used in valuing the property
- Describe the supplemental information that was considered when using an analytical method or technological tool
- Indicate all source(s) of information used in the analysis, as applicable, in valuing the property, including:
  - External data sources (such as market sales databases and public tax and land records)
  - Property-specific data (such as previous appraisals, data for the subject property, tax assessment data, and comparable sales information)
  - Evidence of a property inspection
c. Photos of the property.

c. Description of the neighborhood, or

c. Local market conditions.

- Include information on the preparer when an evaluation is performed by a person, such as the name and contact information, and signature (electronic or other legally permissible signature) of the preparer.

(See Appendix B, Evaluations Based on Analytical Methods or Technological Tools, for guidance on the appropriate use of analytical methods and technological tools for developing an evaluation.)

XIV Validity of Appraisals and Evaluations

The Agency allows an institution to use an existing appraisal or evaluation to support a subsequent transaction in certain circumstances. Therefore, an institution should establish criteria for assessing whether an existing appraisal or evaluation continues to reflect the market value of the property (that is, remains valid). Such criteria will vary depending upon the condition of the property and the marketplace and the nature of the transaction. The documentation in the credit file should provide the facts and analysis to support the institution's conclusion that the existing appraisal or evaluation may be used in the subsequent transaction. A new appraisal or evaluation is necessary if the originally reported market value has changed due to factors such as:

- Passage of time
- Volatility of the local market
- Changes in terms and availability of financing.
- Natural disasters.
- Limited or over supply of competing properties.
- Improvements to the subject property or competing properties.
- Lack of maintenance of the subject or competing properties.
- Changes in underlying economic and market assumptions, such as capitalization rates and lease terms.
- Changes in zoning, building materials, or technology.
- Environmental contamination.

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XV. Reviewing Appraisals and Evaluations

The Agencies' appraisal regulations specify that appraisals for federally related transactions must contain sufficient information and analysis to support an institution's decision to engage in the credit transaction. For certain transactions that do not require an appraisal, the Agencies' regulations require an institution to obtain an appropriate evaluation of real property collateral that is consistent with safe and sound banking practices.

As part of the credit approval process and prior to a final credit decision, an institution should review appraisals and evaluations to ensure that they comply with the Agencies' appraisal regulations and are consistent with supervisory guidance and its own internal policies. This review also should ensure that an appraisal or evaluation contains sufficient information and analysis to support the decision to engage in the transaction.

Through the review process, the institution should be able to assess the reasonableness of the appraisal or evaluation, including whether the valuation methods, assumptions, and data sources are appropriate and well-supported. An institution may use the review findings to monitor and evaluate the competency and ongoing performance of appraisers and persons who perform evaluations. (See the discussion in these Guidelines on Selection of Appraisers or Persons Who Perform Evaluations.)

When an institution identifies an appraisal or evaluation that is inconsistent with the Agencies' appraisal regulations and the deficiencies cannot be resolved with the appraiser or person who performed the evaluation, the institution must obtain an appraisal or evaluation that meets the regulatory requirements prior to making a credit decision. Though a reviewer cannot change the value conclusion in the original appraisal, an appraisal review performed by an appropriately qualified and competent state certified or licensed appraiser in accordance with USPAP may result in a second opinion of market value. An institution may rely on the second opinion of market value obtained through an acceptable USPAP-compliant appraisal review to support its credit decision.

An institution's policies and procedures for reviewing appraisals and evaluations at a minimum should

- Address the independence, educational and training qualifications, and role of the reviewer.
- Reflect a risk-focused approach for determining the depth of the review.
- Establish a process for resolving any deficiencies in appraisals or evaluations.
- Set forth documentation standards for the review and the resolution of noted deficiencies.
A. Reviewer Qualifications

An institution should establish qualification criteria for persons who are eligible to review appraisals and evaluations. Persons who review appraisals and evaluations should be independent of the transaction and have no direct or indirect interest, financial or otherwise, in the property or transaction, and be independent of and insulated from any influence by loan production staff. Reviewers also should possess the requisite education, expertise, and competence to perform the review commensurate with the complexity of the transaction, type of real property, and market. Further, reviewers should be capable of assessing whether the appraisal or evaluation contains sufficient information and analysis to support the institution's decision to engage in the transaction.

A small or rural institution or branch with limited staff should implement prudent safeguards for reviewing appraisals and evaluations when absolute lines of independence cannot be achieved. Under these circumstances, the review may be part of the originating loan officer's overall credit analysis, as long as the originating loan officer abstains from directly or indirectly approving or voting to approve the loan.

An institution should assess the level of in-house expertise available to review appraisals for complex projects, high-risk transactions, and out-of-market properties. An institution may find it appropriate to employ additional personnel or engage a third party to perform the reviews. When using a third party, an institution remains responsible for the quality and adequacy of the review process, including the qualification standards for reviewers. (See the discussion in these Guidelines on Third Party Arrangements.)

B. Depth of Review

An institution should implement a risk-focused approach for determining the depth of the review needed to ensure that appraisals and evaluations contain sufficient information and analysis to support the institution's decision to engage in the transaction. The process should differentiate between high-risk transactions and low-risk transactions so that the review is commensurate with the risk. The depth of the review should be sufficient to ensure that the methods, assumptions, data sources, and conclusions are reasonable, well-supported, and appropriate for the transaction, property, and market. The review also should consider the process through which the appraisal or evaluation is obtained, either directly by the institution or from another financial services institution. The review process should be commensurate with the type of transaction as discussed below:

- Commercial Real Estate. An institution should ensure that appraisals or evaluations for commercial real estate transactions are subject to an appropriate level of review. Transactions involving complex properties or high-risk commercial loans should be reviewed more comprehensively to assess the technical quality of the appraiser's analysis. For example, an institution should perform a more comprehensive review of transactions involving large-dollar credits, loans secured by complex or specialized properties, and properties outside the institution's traditional lending market. Persons performing such reviews should have the appropriate expertise and knowledge relative to the type of property and its market.
The depth of the review of appraisals and evaluations completed for commercial properties securing lower risk transactions may be less technical in nature, but still should provide meaningful results that are commensurate with the size, type, and complexity of the underlying credit transaction. In addition, an institution should establish criteria for when to expand the depth of the review.

- **Family Residential Real Estate.** The reviews for residential real estate transactions should reflect a risk-based approach that is commensurate with the size, type, and complexity of the underlying credit transaction, as well as loan and portfolio risk characteristics. These risk factors could include debt-to-income ratios, loan-to-value ratios, level of documentation, transaction dollar amount, or other relevant factors. With prior approval from its primary federal regulator, an institution may employ various techniques, such as automated tools or sampling methods, for performing pre-funding reviews of appraisals or evaluations supporting lower risk residential mortgages. When using such techniques, an institution should maintain sufficient data and employ appropriate screening parameters to provide adequate quality assurance and should ensure that the work of all appraisers and persons performing evaluations is periodically reviewed. In addition, an institution should establish criteria for when to expand the depth of the review.

An institution may use sampling and audit procedures to verify the seller's representations and warranties that the appraisals for the underlying loans in a pool of residential loans satisfy the Agencies' appraisal regulations and are consistent with supervisory guidance and an institution's internal policies. If an institution is unable to confirm that the appraisal meets the Agencies' appraisal requirements, then the institution must obtain an appraisal prior to engaging in the transaction.

- **Appraisals from Other Financial Services Institutions.** The Agencies' appraisal regulations specify that an institution may use an appraisal that was prepared by an appraiser engaged directly by another financial services institution, provided the institution determines that the appraisal conforms to the Agencies' appraisal regulations and is otherwise acceptable. An institution should assess whether to use the appraisal prior to making a credit decision. An institution should subject such appraisals to at least the same level of review that the institution performs on appraisals it obtains directly for similar properties and document its review in the credit file. The documentation of the review should support the institution's reliance on the appraisal. Among other considerations, an institution should confirm that:

  - The appraiser was engaged directly by the other financial services institution;
  - The appraiser had no direct, indirect, or prospective interest financial or otherwise, in the property or transaction.

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11 An institution generally should not rely on an appraisal prepared by or for another financial services institution because it will not have sufficient information relative to the other institution's risk management practices for developing appraisals.
The financial services institution (not the borrower) ordered the appraisal. For example, an engagement letter should show that the financial services institution, not the borrower, engaged the appraiser.

An institution must not accept an appraisal that has been redacted or altered by the appraiser with the intent to conceal the original client. Altering an appraisal report in a manner that conceals the original client or intended users of the appraisal is misleading, does not conform to USPAP, and violates the Agencies’ appraisal regulations.

**C. Resolution of Deficiencies**

An institution should establish policies and procedures for resolving any inaccuracies or weaknesses in an appraisal or evaluation identified through the review process, including procedures for:

- Communicating the noted deficiencies to and requesting correction of such deficiencies by the appraiser or person who prepared the evaluation. An institution should implement adequate internal controls to ensure that such communications do not result in any coercion or undue influence on the appraiser or person who performed the evaluation.

- Addressing significant deficiencies in the appraisal that could not be resolved with the original appraiser by obtaining a second appraisal or relying on a review that complies with Standards Rule 3 of USPAP and is performed by an appropriately qualified and competent state-certified or licensed appraiser prior to the final credit decision.

- Replacing evaluations prior to the credit decision that do not provide credible results or lack sufficient information to support the final credit decision.

**D. Documentation of the Review**

An institution should establish policies for documenting the review of appraisals and evaluations in the credit file. Such policies should address the level of documentation needed for the review, given the type, risk, and complexity of the transaction. The documentation should describe the resolution of any appraisal or evaluation deficiencies, including reasons for obtaining and relying on a second appraisal or evaluation. The documentation also should provide an audit trail that documents the resolution of noted deficiencies or details the reasons for relying on a second opinion of market value.

**XVI Third Party Arrangements**

An institution that engages a third party to perform certain collateral valuation functions on its behalf is responsible for understanding and managing the risks associated with the arrangement. An institution should use caution if it engages a third party to administer any part of its appraisal and evaluation function, including the ordering or reviewing of appraisals and evaluations, selecting an appraiser or person to perform evaluations, or providing access to analytical methods or technological tools.
An institution is accountable for ensuring that any services performed by a third party, both affiliated and unaffiliated entities, comply with applicable laws and regulations and are consistent with supervisory guidance. Therefore, an institution should have the resources and expertise necessary for performing ongoing oversight of third-party arrangements.

An institution should have internal controls for identifying, monitoring, and managing the risks associated with using a third-party arrangement for valuation services, including compliance, legal, reputational, and operational risks. While the arrangement may allow an institution to achieve specific business objectives, such as gaining access to expertise that is not available internally, the reduced operational control over outsourced activities poses additional risk. Consistent with safe and sound practices, an institution should have a written contract that clearly defines the expectations and obligations of both the financial institution and the third party, including that the third party will perform its services in compliance with the Agencies' appraisal regulations and consistent with supervisory guidance.

Prior to entering into any arrangement with a third party for valuation services, an institution should compare the risks, costs, and benefits of the proposed relationship to those associated with using another vendor or conducting the activity in-house. The decision to outsource any part of the collateral valuation function should not be unduly influenced by any short-term cost savings. An institution should take into account all aspects of the long-term effect of the relationship, including the managerial expertise and associated costs for effectively monitoring the arrangement on an ongoing basis.

If an institution outsources any part of the collateral valuation function, it should exercise appropriate due diligence in the selection of a third party. This process should include sufficient analysis by the institution to assess whether the third-party provider can perform the services consistent with the institution's performance standards and regulatory requirements. An institution should be able to demonstrate that its policies and procedures establish effective internal controls to monitor and periodically reassess the collateral valuation functions performed by a third party.

An institution also is responsible for ensuring that a third party select an appraiser as a person to perform an evaluation who is competent and independent, has the requisite experience and training for the assignment, and through knowledge of the subject property's market. Appraisers must be appropriately certified or licensed, but the minimum credentialing requirement, although necessary, is not sufficient to determine that an appraiser is competent to perform an assignment for a particular property or geographic market.

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An institution should ensure that when a third party engages an appraiser or a person who performs an evaluation, the third party conveys to that person the intended use of the appraisal or evaluation and that the regulated institution is the client. For example, an engagement letter facilitates the communication of this information.

An institution's risk management system should reflect the complexity of the outsourced activities and associated risk. An institution should document the results of ongoing monitoring efforts and periodic assessments of the arrangement(s) with a third party for compliance with applicable regulations and consistency with supervisory guidance and its performance standards. If deficiencies are discovered, an institution should take remedial action in a timely manner.

XVII Program Compliance

Deficiencies in an institution's appraisal and evaluation program that result in violations of the Agencies' appraisal regulations or contraventions of the Agencies' supervisory guidance reflect negatively on management. An institution's appraisal and evaluation policies should establish internal controls to promote an effective appraisal and evaluation program. The compliance process should:

- Maintain a system of adequate controls, verification, and testing to ensure that appraisals and evaluations provide credible market values
- Identify the personnel responsible for maintaining the compliance of the institution's appraisal and evaluation function from any influence by loan production staff
- Ensure the institution's practices result in the selection of appraisers and persons who perform evaluations with the appropriate qualifications and demonstrated competency for the assignment
- Establish procedures to test the quality of the appraisal and evaluation review process
- Use, as appropriate, the results of the institution's review process and other relevant information as a basis for considering a person for a future appraisal or evaluation assignment
- Report appraisal and evaluation deficiencies to appropriate internal parties and, if applicable, to external authorities in a timely manner

A. Monitoring Collateral Values

Consistent with the Agencies' real estate lending regulations and guidelines, an institution should monitor collateral risk on a portfolio and on an individual credit basis.

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Therefore, an institution should have policies and procedures that address the need for obtaining current collateral valuation information to understand its collateral portfolio over the life of a credit and effectively manage the risk in its real estate credit portfolio. The policies and procedures also should address the need to obtain current valuation information for collateral supporting an existing credit that may be modified or considered for a loan workout.

Under the appraisal regulations, the Agency reserves the right to require an institution to obtain an appraisal or evaluation when there are safety and soundness concerns on an existing real estate secured credit. Therefore, an institution should be able to demonstrate that sufficient information is available to support the current market value of the collateral and the classification of a problem real estate credit. When such information is not available, an examiner may direct an institution to obtain a new appraisal or evaluation in order to have sufficient information to understand the current market value of the collateral. Examiners would be expected to provide an institution with a reasonable amount of time to obtain a new appraisal or evaluation.

B. Portfolio Collateral Risk

Prudent portfolio monitoring practices include criteria for determining when to obtain a new appraisal or evaluation. Among other considerations, the criteria should address deterioration in the credit since origination or changes in market conditions. Changes in market conditions could include material changes in current and projected vacancy, absorption rates, lease terms, rental rates, and sale prices, including concessions and other incentives delays in construction costs. Fluctuations in discount or direct capitalization rates also are indicators of changing market conditions.

In assessing whether changes in market conditions are material, an institution should consider the individual and aggregate effect of these changes on its collateral protection and the risk in its real estate lending programs or credit portfolios. Moreover, as an institution's reliance on collateral becomes more important, its policies and procedures should:

- Ensure that timely information is available to management for assessing collateral and associated risk.

- Specify when new or updated collateral valuations are appropriate or desirable to understand collateral risk in the transaction(s).

- Delineate the valuation method to be employed after considering the property type, current market conditions, current use of the property, and the relevance of the most recent appraisal or evaluation in the credit file.

Consistent with sound collateral valuation monitoring practices, an institution can use a variety of techniques for monitoring the effect of collateral valuations on portfolio risk. Sources of relevant information may include external market data, internal data, or reviews of recently obtained appraisals and evaluations. An institution should be able to demonstrate that it has sufficient, reliable, and timely information on market trends to understand the risk associated with its lending activity.
C. Modifications and Workouts of Existing Credits

An institution may find it appropriate to modify a loan to a borrower or to engage in a workout with an existing borrower. The Agencies expect an institution to consider current collateral valuation information to assess its collateral risk and facilitate an informed decision on whether to engage in a modification or workout of an existing real estate credit. (See the discussion above on Portfolio Collateral Risk.)

- **Loan Modifications.** A loan modification to an existing credit that involves a limited change(s) in the terms of the note or loan agreement and that does not adversely affect the institution’s real estate collateral protection after the modification does not rise to the level of a new real estate-related financial transaction for purposes of the Agencies’ appraisal regulations. As a result, an institution would not be required to obtain either a new appraisal or evaluation to comply with the Agencies’ appraisal regulations, but should have an understanding of its collateral risk. For example, institutions can use automated valuation models or other valuation techniques when considering a modification to a residential mortgage loan. An institution should have procedures for ensuring an alternative collateral valuation method provides reliable information. In addition, an institution should be able to demonstrate that such modifications reflect prudent underwriting standards and is consistent with safe and sound lending practices. Examiners will assess the adequacy of valuation information an institution uses for loan modifications.

- **Loan Workouts.** As noted under “Monitoring Collateral Values,” an institution’s policies and procedures should address the need for current information on the value of real estate collateral supporting a loan workout. A loan workout can take many forms, including a modification that adversely affects the institution’s real estate collateral protection after the modification, a renewal or extension of loan terms, the advancement of new monies, or a restructuring with or without concessions. These types of loan workouts are new real estate-related financial transactions if the loan workout does not include the advancement of new monies other than reasonable closing costs, the institution may obtain an evaluation in lieu of an appraisal. For loan workouts that involve the advancement of new monies, an institution may obtain an evaluation in lieu of an appraisal provided there has been no obvious and material change in market conditions and no change in the physical aspects of the property that threatens the adequacy of the institution’s real estate collateral protection after the workout.

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1 A loan modification that entails a decrease in the interest rate or a single extension of a limited or short-term nature would not be viewed as a subsequent transaction. For example, an extension arising from a short-term delay in the full repayment of the loan when there is documentation evidence that payment from the borrower is forthcoming, or a brief delay in the scheduled closing on the sale of a property when there is evidence that the closing will be completed in the near term.

2 Under the NCUA’s appraisal regulations, a credit union must obtain both an appraisal and the need for an appraisal. If the transaction does not involve an advancement of new monies and there have been no obvious and material changes in the real property or property conditions, a credit union must obtain a written update of market value that is consistent with the standards for evaluation set out in 12 CFR 722.3(e).
In these cases, an institution should support and document its rationale for using this exemption. An institution must obtain an appraisal when a loan workout involves the advancement of new monies and there is a material change in either market conditions or physical aspects of the property, or both, that threatens the adequacy of the institution's real estate collateral protection after the workout unless another exemption applies. See also Appendix A, Appraisal Exemptions, for transactions where an evaluation would be allowed in lieu of an appraisal.

**Collateral Valuation Policies for Modifications and Workouts.** An institution's policies should address the need for obtaining current collateral valuation information for a loan modification or workout. The policies should specify the valuation method to be used and address the need to monitor collateral risk on an ongoing basis taking into consideration changing market conditions and the borrower's repayment performance. An institution also should be able to demonstrate that the collateral valuation method used is reliable for a given credit or loan type.

Further, for loan workouts, an institution's policies should specify conditions under which an appraisal or evaluation will be obtained. As loan repayment becomes more dependent on the sale of collateral, an institution's policies should address the need to obtain an appraisal or evaluation for safety and soundness reasons even though one is not otherwise required by the Agencies' appraisal regulations.

XVIII. Referrals

An institution should file a complaint with the appropriate state appraisal regulatory officials when it suspects that a state certified or licensed appraiser failed to comply with USPAP, applicable state laws, or engaged in other unethical or unprofessional conduct. In addition, effective April 1, 2011, an institution must file a complaint with the appropriate state appraiser certifying and licensing agency under certain circumstances.

An institution also must file a suspicious activity report (SAR) with the Financial Crimes Enforcement Network of the Department of the Treasury (FinCEN) when suspecting fraud or identifying other transactions meeting the SAR filing criteria. Examiners finding evidence of unethical or unprofessional conduct by appraisers should inform the institution to file a complaint with state appraiser regulatory officials and, when required, to file a SAR with FinCEN. If there is a concern regarding the institution's ability or willingness to file a complaint or make a referral, examiners should forward their findings and recommendations to their supervisory office for appropriate disposition and referral to state appraiser regulatory officials and FinCEN, as necessary.

For example, if the transaction value is below the appraisal threshold of $250,000.

References to federal regulations are FRB: 12 CFR 210.62, 211.2(b), 211.21(i), and 223.1(a); FDIC: 12 CFR part 254, NCUA: 12 CFR part 786; OCC: 12 CFR 21.33; OTS: 12 CFR 569.187; and FinCEN: 21 CFR 103.1. Refer also to the National Financial Institutions Examination Council Work Sheets, Auditor's Money Laundering Examination Manual (Revised April 26, 2010) to review the general context, but note that instructions on filing a SAR through the Financial Crimes Enforcement Network (FinCEN) of the Department of the Treasury are attached to the SAR form. The SAR form is available on FinCEN's website.
Appendix A
Appraisal Exemptions

Under Title XII of FIRREA, the Agencies were granted the authority to identify categories of real estate-related financial transactions that do not require the services of an appraiser to protect federal financial and public policy interests or to satisfy principles of safe and sound lending. Therefore, in their appraisal regulations, the Agencies identified certain real estate-related financial transactions that do not require the services of an appraiser and that are exempt from the appraisal requirement. This appendix provides further clarification on the application of those regulatory exemptions and should be read in the context of each Agency’s appraisal regulation. If an institution has a question as to whether a particular transaction qualifies for an exemption, the institution should seek guidance from its primary federal regulator. For those transactions qualifying for the appraisal threshold, existing extensions of credit on the business loan exemptions, an institution is excused from the appraisal requirement, but still must, at a minimum, obtain an evaluation consistent with these Guidelines.

1. Appraisal Threshold

For transactions with a transaction value equal to or less than $250,000, the Agencies’ appraisal regulations, at a minimum, require an evaluation consistent with safe and sound banking practices. If an institution enters into a transaction that is secured by several individual properties that are part of a tract development, the estimate of value of each individual property should determine whether an appraisal or evaluation would be required for that property. For example, an institution makes a loan secured by several commercial properties in different markets with two properties valued in excess of the appraisal threshold and five properties valued less than the appraisal threshold. An institution would need to obtain an appraisal on the two properties valued in excess of the appraisal threshold and evaluations on the five properties below the appraisal threshold, even though the aggregate loan commitment exceeds the appraisal threshold.

2. Abundance of Cautions

An institution may take a lien on real estate and be exempt from obtaining an appraisal if the lien on real estate is taken by the lender in an abundance of caution. This exemption is intended to have limited application, especially for real estate loans secured by residential properties, in which the real estate is the only form of collateral. In order for a business loan to qualify for the abundance of caution exemption, the Agencies expect the extension of credit to be well supported by the borrower’s cash flow or collateral other than real property. The institution’s credit analysis should verify and document the adequacy and reliability of these repayment sources and conclude that knowledge of the market value of the real estate on which the lien will be taken as an abundance of caution is unnecessary in making the credit decision.

\[\text{NCUA’s regulations do not provide an exemption from the appraisal requirements specific to member business loans.}\]

\[\text{NCUA’s appraisal regulations require a written estimate of market value performed by a qualified and experienced person who has no interest in the property, for transactions equal to or less than the appraisal threshold and transactions involving an existing extension of credit. (12 CFR 722.3(d))}\]
An institution should not invoke the abundance of caution exemption if its credit analysis reveals that the transaction would not be adequately secured by sources of repayment other than the real estate, even if the contributory value of the real estate collateral is low relative to the total collateral pool and other repayment sources. Similarly, the exemption should not be applied to a loan or loan program unless the institution verifies and documents the primary and secondary repayment sources. In the absence of verification of the repayment sources, this exemption should not be used merely to reduce the cost associated with obtaining an appraisal, to minimize transaction processing time, or to offer slightly better terms to a borrower than would be otherwise offered.

In addition, prior to making a final commitment to the borrower, the institution should document and retain in the credit file the analysis performed to verify that the abundance of caution exemption has been appropriately applied. If the operating performance or financial condition of the company subsequently deteriorates and the lender determines that the real estate will be relied upon as a repayment source, an appraisal should then be obtained, unless another exemption applies.

3. Loans Not Secured by Real Estate

An institution is not required to obtain an appraisal or a loan that is not secured by real estate, even if the proceeds of the loan are used to acquire or improve real property. For loans covered by this exemption, the real estate has no direct effect on the institution's decision to extend credit because the institution has no legal security interest in the real estate. This exemption is not intended to be applied to real estate-related financial transactions other than those involving loans. For example, this exemption should not be applied to a transaction such as an institution's investment in real estate for its own use.

4. Liens for Purposes Other Than the Real Estate's Value

This exemption allows an institution to take liens against real estate without obtaining an appraisal to protect legal rights to, or control over, other collateral. Institutions frequently take real estate liens to protect legal rights to other collateral rather than because of the contributory value of the real estate as an individual asset. For example, an institution making a loan to a logging operation may take a lien against the real estate upon which the lumber stands to ensure its access to the timber in the event of default. To apply the exemption, the institution should determine that the market value of the real estate as an individual asset is not necessary to support its decision to extend credit.

NCUA's regulations do not provide an exemption from the appraisal requirements specific to loans not secured by real estate.
5. Real Estate-Secured Business Loans

This exemption applies to business loans with a transaction value of $1 million or less when the sale of, or rental income derived from, real estate is not the primary source of repayment. 42 To apply this exemption, the Agencies expect the institution to determine that the primary source of repayment for the business loan is operating cash flow from the business rather than rental income or sale of real estate. For this type of exempted loan, under the Agencies' appraisal regulations, an institution may obtain an evaluation in lieu of an appraisal.

This exemption will not apply to transactions in which the lender has taken a security interest in real estate, but the primary source of repayment is provided by cash flow or sale of real estate in which the lender has no security interest. For example, a transaction in which a loan is secured by real estate for one project, in which the lender has taken a security interest, but will be repaid with the cash flow from real estate sales or rental income from other real estate projects, in which the lender does not have a security interest, would not qualify for the exemption. (See Appendix D, Glossary of Terms, for a definition of business loan.)

6. Leases

An institution is required to obtain appraisals of leases that are the economic equivalent of a purchase or sale of the leased real estate. For example, an institution must obtain an appraisal on a transaction involving a capital lease, as the real estate interest is of sufficient magnitude to be recognized as an asset of the lessee for accounting purposes. Operating leases that are not the economic equivalent of the purchase or sale of the leased property do not require appraisals.

7. Renewals, Refinancings, and Other Subsequent Transactions

Under certain circumstances, renewals, refinancings, and other subsequent transactions may be supported by evaluations rather than appraisals. The Agencies' appraisal regulations permit an evaluation for a renewal or refinancing of an existing extension of credit at the institution when either:

(i) There has been no obvious and material change in market conditions or physical aspects of the property that threatens the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies; or
(ii) There is no advancement of new monies, other than funds necessary to cover reasonable closing costs. 43


42 Under the NCUA's appraisal regulation, a credit union must meet both conditions to avoid the need for an appraisal. If a transaction does not involve an advancement of new monies and there has been no obvious and material change in market or property conditions, a credit union must obtain a written estimate of market value that is consistent with the standards for evaluations as discussed in These Guidelines. 12 CFR 722.3(b).
A subsequent transaction is exempt from the appraisal requirement if no new monies are advanced (other than funds necessary to cover reasonable closing costs) or if there has been an obvious and material change in market conditions or the physical aspects of the property that threaten the adequacy of the institution's real estate collateral protection. Conversely, when new monies are advanced (other than funds necessary to cover reasonable closing costs) and there has been an obvious and material change in market conditions or the physical aspects of the property that threaten the adequacy of the institution's real estate collateral protection, the institution must obtain an appraisal unless another exemption applies.

For the purposes of these guidelines, an institution is considered to have advanced new monies (excluding reasonable closing costs) when there is an increase in the principal amount of the loan over the amount of principal outstanding before the renewal or refinancing. For example, an institution originated a 15-year term loan for $3 million and, in year 14, the outstanding principal is $2.5 million. In year 14, the borrower seeks to refinance the loan at a lower interest rate and requests a loan of $2.8 million. The $300,000 would be considered new monies. On the other hand, an institution has provided a $5 million revolving line of credit to a borrower for two years and, at the end of year two, renews the $5 million line for another two years. At the time of renewal, the borrower has drawn down $1 million. In this example, the amount of the line remains unchanged even though the amount available on the line is less than the line commitment. Renewing the line of credit at its original amount would not be considered an advancement of new monies. Further, when an institution advances funds to protect its interest in a property, such as to repair damaged property, a new appraisal or evaluation would not be required because these funds would be used to restore the damaged property to its original condition.

To satisfy the condition for no obvious and material change in market conditions or the physical aspects of the property, the current or planned future use of the property should be consistent with the use identified in the existing appraisal or evaluation. For example, if a property has repeatedly increased in value because of a planned change in use of the property resulting from renewing an appraisal or evaluation should be performed unless another exemption applies.

If an evaluation is permitted under this exemption, an institution may use an existing appraisal or evaluation as long as the institution verifies and documents that the appraisal or evaluation continues to be valid. (See the discussion in the Validity of Appraisals and Evaluations section of these Guidelines.) Even if a subsequent transaction qualifies for this exemption, an institution should consider the risk posed by the transaction and may wish to consider obtaining a new appraisal.

Loan Workouts or Restructurings. Loan workouts, debt restructurings, loan assumptions, and similar transactions involving the addition or substitution of borrowers may qualify for the exemption for renewals, refinancings and other subsequent transactions. Use of this exemption depends on meeting the conditions listed in (i) and (ii) at the beginning of the discussion on Renewals, Refinancings, and Other Subsequent Transactions. An institution also should consider such factors as the quality of the underlying collateral and the validity of the existing appraisal or evaluation.
If a loan workout involves acceptance of new real estate collateral that facilitates the orderly collection of the credit, or reduces the institution's risk of loss, an appraisal or evaluation of the existing and new collateral may be prudent, even if it is obtained after the workout occurs and the institution perfects its security interest.

8. Transactions Involving Real Estate Notes

This exemption applies to appraisals requirements for transactions involving the purchase, sale, investment in, exchange of, or extension of credit secured by a loan or interest in a loan, pooled loans, or interests in real property, including mortgage-backed securities. If each note or real estate interest meets the Agencies' regulatory requirements for appraisal at the time the real estate note was originated, the institution need not obtain a new appraisal to support its interest in the transaction. The institution should employ audit procedures and review a representative sample of appraisals supporting pooled loans or real estate notes to determine that the conditions of the exemption have been satisfied.

Principles of safe and sound banking practices require an institution to determine the suitability of purchasing or investing in existing real estate-secured loans and real estate interests. These transactions should have been originated according to secondary market standards and have a history of performance. The information from these sources, together with original documentation, should be sufficient to allow an institution to make appropriate credit decisions regarding these transactions.

An institution may presume that the underlying loans in a marketable, mortgage-backed security satisfy the compliance requirements of the Agencies' appraisal regulations whenever an issuer makes a public statement, such as in a prospectus, that the appraisals comply with the Agencies' appraisal regulations. A marketable security is one that may be sold with reasonable promptness at a price that corresponds to its fair value.

If the mortgages that secure the mortgage warehouse loan are sold to Fannie Mae or Freddie Mac, the sale itself may be used to demonstrate that the underlying loans complied with the Agencies' appraisal regulations. In such cases, the Agencies expect an institution to monitor its borrower's performance in selling loans to the secondary market and take appropriate steps such as increasing sampling and auditing of the loans and the supporting documentation, if the borrower agrees to more than a minimal rate of loans being put back by an investor.


This exemption applies to transactions that are wholly or partially insured or guaranteed by a U.S. government agency or U.S. government-sponsored agency. The Agencies expect these transactions to meet all the underwriting requirements of the Federal insurer or guarantor, including its appraisal requirements, in order to receive the insurance or guarantee.
13 Transactions that Qualify for Sale to, or Meet the Appraisal Standards of a U.S. Government Agency or U.S. Government-Sponsored Agency

This exception applies to transactions that either (i) qualify for sale to a U.S. government agency or U.S. government-sponsored agency, or (ii) involve a residential real estate transaction in which the appraisal conforms to Freddie Mac or Fannie Mae appraisal standards applicable to that category of real estate. An institution may engage in these transactions without obtaining a separate appraisal conforming to the Agencies' appraisal regulations. Given the risk to the institution that it may have to repurchase a loan that does not comply with the appraisal standards of the U.S. government agency or U.S. government-sponsored agency, the institution should have appropriate policies to confirm its compliance with the underwriting and appraisal standards of the U.S. government agency or U.S. government-sponsored agency.

10(i) An institution that relies on exemption 10(i) should maintain adequate documentation that confirms that the transaction qualifies for sale to a U.S. government agency or U.S. government-sponsored agency. If the qualification for sale is not adequately documented, the transaction should be supported by an appraisal that conforms to the Agencies' appraisal regulations, unless another exemption applies.

10(ii) To qualify for this exemption, transactions that do not conform to all of Fannie Mae or Freddie Mac underwriting standards, such as jumbo or other residential real estate loans, must be supported by an appraisal that meets the government sponsored agencies' appraisal standards for the applicable property type and is documented in the credit file or reproducible.

11. Transactions by Regulated Institutions as Fiduciaries

An institution acting as a fiduciary is not required to obtain an appraisal under the Agencies' appraisal regulations if an appraisal is not required under other laws governing fiduciary responsibilities in connection with a transaction. For example, if no other law requires an appraisal in connection with the sale of a parcel of real estate to a beneficiary of a trust on terms specified in a trust instrument, an appraisal is not required under the Agencies' appraisal regulations. However, when a fiduciary transaction requires an appraisal under other laws, that appraisal should conform to the Agencies' appraisal requirements.

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**Footnotes**

88 These government-sponsored agencies include Banks for Cooperatives, Federal Agriculture Mortgage Corporation, Farm Credit Banks, Federal Home Loan Banks, Fannie Mae, Freddie Mac, and Tennessee Valley Authority.

89 Generally, credit unions have limited fiduciary authority and NCUA's appraisal regulations do not specifically exempt transactions by credit unions.
12. **Appraisals Not Necessary to Protect Federal Financial and Public Policy Interests or the Safety and Soundness of Financial Institutions**

The Agencies retain the authority to determine when the services of an appraiser are not required in order to protect federal financial and public policy interests or the safety and soundness of financial institutions. This exemption is intended to apply to individual transactions on a case-by-case basis rather than broad categories of transactions that would otherwise be addressed by an appraisal exemption. An institution would need to seek a waiver from its supervisory federal agency before entering into the transaction.
Appendix B
Evaluations Based on Analytical Methods or Technological Tools

The Agencies' appraisal regulations permit an institution to use an evaluation in lieu of an appraisal for certain transactions. An institution may use a variety of analytical methods and technological tools for developing an evaluation, provided the institution can demonstrate that the valuation method is consistent with safe and sound banking practices and these Guidelines (see sections on Evaluation Development and Evaluation Content). As an institution should not select a method or tool solely because it provides the highest value, the lowest cost, or the fastest response or turnaround time.

An institution should establish policies and procedures that provide a sound process for using various methods or tools. Such policies and procedures should:

- Ensure staff has the requisite expertise and training to manage the selection, use, and validation of an analytical method or technological tool. If an institution does not have the in-house expertise relative to a particular method or tool, then an institution should employ additional personnel or engage a third party. (See the Third Party Arrangements section in these Guidelines.)

- Address the selection, use, and validation of the valuation method or tool.

- Establish criteria for determining whether a particular valuation method or tool is appropriate for a given transaction or lending activity, considering associated risks. These risks include, but are not limited to, transaction size and purpose, credit quality, and leverage tolerance (loan-to-value).

- Specify criteria when a market event or risk factor would preclude the use of a particular method or tool.

- Address standards for the use of multiple methods or tools, if applicable, for valuing the same property or to support a particular lending activity.

- Provide criteria for ensuring that the institution uses a method or tool that produces a reliable estimate of market value that supports the institution's decision to engage in a transaction.

- Address the extent to which:
  - An inspection or research is necessary to ascertain the property's actual physical condition, and
  - Supplemental information is needed to assess the effect of market conditions or other factors on the estimate of market value.

For example, the sale price of property from the Internet or other public sources would not be an evaluation under these Guidelines. Additionally, valuation methods that do not contain sufficient information and analysis or provide a market value conclusion would not be acceptable as evaluations.
An institution should establish an effective system of controls for verifying that a valuation method or tool is employed in a manner consistent with internal policies and procedures. Moreover, the institution's staff responsible for internal controls should have the skills commensurate with the complexity or sophistication of the method or tool. Examiners will review an institution's policies, procedures, and internal controls to ensure that an institution's use of a method or tool is appropriate and consistent with safe and sound banking practices.

**Automated Valuation Models (AVMs)**

AVMs are computer programs that estimate a property's market value based on market, economic, and demographic factors. Institutions may employ AVMs for a variety of uses such as loan underwriting and portfolio monitoring. An institution may not rely solely on the results of an AVM to develop an evaluation unless the resulting evaluation is consistent with safe and sound banking practices and these Guidelines. (See the Evaluation Development and Evaluation Content sections.) For example, to be consistent with the standards for an evaluation, the results of an AVM would need to address a property's actual, physical condition, and therefore, could not be based on an unsupported assumption, such as a property is in "average" condition.

Institutions should establish policies and procedures that govern the use of AVMs and specify the supplemental information that is required to develop an evaluation. When the supplemental information indicates the AVM is not an acceptable valuation tool, the institution's policies and procedures should require the use of an alternative method or tool.

**Selecting an AVM(s)**

When selecting an AVM or multiple AVMs, an institution should:

- Perform the necessary level of due diligence on AVM vendors and their models, including how model developers conducted performance testing as well as the sample size used and the geographic level tested (such as county level or zip code).

- Establish acceptable minimum performance criteria for a model prior to and independent of the validation process.

- Perform a detailed validation of the model(s) considered during the selection process and document the validation process.

- Evaluate underlying data used in the model(s), including the data sources and types, frequency of updates, quality control performed on the data, and the sources of the data in states where public real estate sales data are not disclosed.

- Assess modeling techniques and the inherent strengths and weaknesses of different model types (such as hedonic index, and blended) as well as how a model(s) performs for different property types (such as condominiums, planned unit developments, and single family detached residences).
- Evaluate the vendor's scoring system and methodology for the model(s). Determine whether the scoring system provides an appropriate indicator of model reliability by property types and geographic locations.

Following the selection of an AVM(s), an institution should develop policies and procedures to address the appropriate use of an AVM(s) and its monitoring and ongoing validation processes.

**Determining AVM Use**

An institution should establish policies and procedures for determining whether an AVM can be used for a particular transaction. The institution should:

- Maintain AVM performance criteria for accuracy and reliability in a given transaction, lending activity, and geographic location.
- Establish internal confidence score minimums, or similar criteria, for when each model can be used.
- Implement controls to preclude 'value shopping' when more than one AVM is used for the same property.
- Establish procedures for obtaining an appraisal or using a different valuation method to develop an evaluation when an AVM's resulting value is not reliable to support the credit decision. For example, in areas that have experienced a high incidence of fraud, the institution should consider whether the AVM may be relied upon for the transaction or another valuation method should be used.
- Identify circumstances under which an AVM may not be used, including:
  - When market conditions warrant, such as during the aftermath of a natural disaster or a major economic event.
  - When a model's performance is outside of specified tolerances for a particular geographic market or property price-tier range.
  - When a property is non-homogeneous, such as typical lot sizes or property types.

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Footnotes:

4 For example, an institution should establish a level of acceptable error, accuracy, and limit exposure to a model's systemic tendency to overvalue properties (commonly referred to as 'bias risk').

A 'confidence score' generally refers to a vendor's own method of quantifying how reliable a model's value is by using a rank ordering process. The model's components of a confidence score are not standardized. Therefore, an institution needs to understand how a confidence score was derived and the extent to which a confidence score correlates to model accuracy. If multiple AVMs are used, an institution should understand how the combination of models affects overall accuracy.
Validating AVM Results

An institution should establish standards and procedures for independent and ongoing monitoring and model validation, including the testing of multiple AVMs, to ensure that results are credible. An institution should be able to demonstrate that the depth and extent of its validation processes are consistent with the materiality of the risk and the complexity of the transaction. Validation can be performed internally or with the assistance of a third party, as long as the validation is conducted by qualified individuals that are independent of the model development or sales functions. An institution should not rely solely on validation representations provided by an AVM vendor. An institution should perform appropriate model validation regardless of whether it relies on AVMs that are supported by value insurance or guarantees. If there are insurance or guarantee components of any particular AVM, the institution is responsible for understanding the extent and limitations of the insurance policy or guarantee, and the claim process and financial strength of the insurer.

An institution should ensure that persons who validate an AVM or an ongoing basis are independent of the loan production and collection processes and have the requisite expertise and training. In the AVM validation procedures, an institution should specify, at a minimum:

- Expectations for an appropriate sample size.
- Level of geographic analysis.
- Testing frequency and criteria for re-testing.
- Standards of performance measures to be used.
- Range of acceptable performance results.

To ensure unbiased test results, an institution should compare the results of an AVM to actual sales data in a specified trade area or market prior to the formation being available to the model. If an institution uses more than one AVM, each AVM should be validated. To assess the effectiveness of its AVM practices, an institution should verify whether loans in which an AVM was used to establish value met the institution’s performance expectations relative to similar loans that used a different valuation process. An institution should document the results of its validation and audit findings. An institution should use these findings to analyze and periodically update its policies and procedures for an AVM(s) when warranted.

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See, for example, OCC Bulletin 2000-16, Risk Management: Model Validation. (May 30, 2000)
Tax Assessment Valuations (TAVs)

An institution may not rely solely on the data provided by local tax authorities to develop an evaluation unless the resulting evaluation is consistent with safe and sound banking practices and these Guidelines. (See the Evaluation Development and Evaluation Content sections.) Since analytical methods such as TAVs generally need additional support to meet these Guidelines, institutions should develop policies and procedures that specify the level and extent of supplemental information that should be obtained to develop an evaluation. Such policies and procedures also should require the use of an alternate valuation method when such information does not support the transaction.

An institution may use a TAV in developing an evaluation when it can demonstrate that a valid correlation exists between the tax assessment data and the market value. In using a TAV to develop an evaluation, an institution should:

- Determine and document how the tax jurisdiction calculates the TAV and how frequently property revaluations occur.
- Perform an analysis to determine the relationship between the TAV and the property market value for properties within a tax jurisdiction.
- Test and document how closely TAVs correlate to market value based on contemporaneous sales at the time of assessment and revalidate whether the correlation remains stable as of the effective date of the evaluation.
Appendix C
Deductions and Discounts

The Agencies' appraisal regulations require an appraiser to analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and fact developments with unsold units. For such transactions, an appraiser must include the market value of the property, which should reflect the property's actual physical condition, use, and zoning designation (referred to as the "as-is" value of the property), as of the effective date of the appraisal. Therefore, if the highest and best use of the property is for development to a different use, the cost of demolition and site preparation should be considered in the analysis.

Proposed Construction or Renovation

For properties where improvements are to be constructed or rehabilitated, an institution may request a prospective market value upon completion and a prospective market value upon stabilization. While such improvements may request the appraiser to provide the sum of direct sales for a proposed development, the result of such calculations is not the market value of the property for purposes of the Agencies' appraisal regulations.

Partially Leased Buildings

For proposed and partially leased rental developments, the appraiser must make appropriate deductions and discounts to reflect that the property has not achieved stabilized occupancy. The appraisal analysis also should include consideration of the absorption of the unleased space. Appropriate deductions and discounts should include items such as leasing commission, rent losses, tenant improvements, and equipment rental profit, if such profit is not included in the discount rate.

Non-market Lease Terms

For properties subject to leases with terms that do not reflect current market conditions, the appraiser must clearly state the ownership interest being appraised and provide a discussion of the leases that are in place. If the leased fee interest is being appraised and contract rent is less than market rent on one or more long-term lease(s) to a highly rated tenant, the market value of the leased fee interest would be less than the market value of the unencumbered fee simple interest in the property. In these situations, the market value of the leased fee interest should be used.

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Tract Developments with Unsold Units

A tract development is defined in the Agency's appraisal regulations as a project of five units or more, that is constructed or is to be constructed as a single development. Appraisals for these properties must reflect deductions and discounts for holding costs, marketing costs, and entrepreneurial profit supported by market data. In some cases, entrepreneurial profit may be included in the discount rate. The applicable discount rate is developed based on investor requirements and the risk associated with the physical and financial characteristics of the property. In some markets, entrepreneurial profit is treated as a line item deduction while in other markets it is reflected as a component of the discount rate.

Regardless of how entrepreneurial profit is handled in the appraisal analysis, an appropriate explanation and discussion should be provided in the appraisal report. The projected sales prices and absorption rate of units should be supported by anticipated demand at the time the units are expected to be exposed for sale. Anticipated demand for the units should be supported and presented in the appraisal. A reader of the appraisal report should be able to understand the risk characteristics associated with the subject property and the market, including the anticipated supply of competing properties.

- **Raw Land.** The appraiser must provide an opinion of value for raw land based on its current condition and existing zoning. If the appraiser employs a developmental approach to value the land that is based on projected land sales or development and sale of lots, the appraiser must reflect appropriate deductions and discounts for costs associated with developing and selling lots in the future. These costs may be incurred during the permitting, construction or selling stages of development. Appropriate deductions and discounts should include items such as feasibility studies, engineering, holding costs, marketing costs, and entrepreneurial profit and other costs specific to the property. If sufficient market data exists to perform both the sales comparison and developmental approaches to value, the appraisal report should detail a reconciliation of these two approaches in arriving at a market value conclusion for the raw land.

- **Developed Lots.** For existing or proposed developments of five or more residential lots in a single development, the appraiser must analyze and report appropriate deductions and discounts. Appropriate deductions and discounts should reflect holding costs, marketing costs, and entrepreneurial profit during the sales absorption period for the sale of the developed lots. The estimated sales absorption period should reflect the appraiser's estimate of the timeframe for the actual development and sale of the lots, starting on the effective date of value and ending as of the expected date of the last lot sale. The absorption period should be based on market demand for lots in light of current and expected competition for similar lots in the market area.
- **Attached or Detached Single-family Homes.** For proposed construction and sale of five or more attached or detached single-family homes in the same development, the appraiser must analyze and report appropriate deductions and discounts. Appropriate deductions and discounts should reflect holding costs, marketing costs, and entrepreneurial profit during the sales absorption period of the completed units. If an institution finances construction on an individual unit basis, an appraisal of the individual units may be used if the institution can demonstrate through an independently obtained feasibility study or market analysis that all units collateralizing the loan can be constructed and sold within 12 months. However, the transaction should be supported by an appraisal that analyzes and reports appropriate deductions and discounts if any of the individual units are not completed and sold within the 12-month time frame.

- **Condominiums.** For proposed construction and sale of a condominium building with five or more units, the appraisal must reflect appropriate deductions and discounts. Appropriate deductions and discounts should include holding costs, marketing costs, and entrepreneurial profit during the sales absorption period of the completed units. If an institution finances construction of a single condominium building with less than five units or a condominium project with multiple buildings with less than five units per building, the institution may rely on an appraisal of the individual units if the institution can demonstrate through an independently obtained feasibility study or market analysis that all units collateralizing the loan can be constructed and sold within 12 months. However, the transaction should be supported by an appraisal that analyzes and reports appropriate deductions and discounts if any of the individual units are not completed and sold within the 12-month time frame.
Appendix D
Glossary of Terms

Agent. The Agencies' appraisal regulations do not specifically define the term "agent." However, the term generally intended to refer to one who undertakes to transact business or to manage business affairs for another. According to the Agencies' appraisal regulations, fee appraisers must be engaged directly by the federally regulated institution or its agent, and have no direct or indirect interest, financial or otherwise, in the property or the transactions. The Agencies do not limit the arrangements that federally regulated institutions have with their agents, provided those arrangements do not place the agent in a conflict of interest that prevents the agent from representing the interests of the federally regulated institution.

Appraisal. As defined in the Agencies' appraisal regulations, a written statement independently and impartially prepared by a qualified appraiser (state licensed or certified) setting forth an opinion as to the market value of an adequately described property as of a specific date(s), supported by the presentation and analysis of relevant market information.

Appraisal Management Company. The Agencies' appraisal regulations do not define the term appraisal management company. For purposes of these Guidelines, an "appraisal management company" includes, but is not limited to, a third party entity that provides real property valuation related services, such as selecting and engaging an appraiser to perform an appraisal based upon requests originating from a regulated institution. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) has a specific definition for this term in connection with transactions secured by a consumer's principal dwelling or mortgage secondary market transactions. See the Third Party Arrangements section in these Guidelines.


Appraisal Threshold. An appraisal is not required on transactions with a transaction value of $50,000 or less. As specified in the Agencies' appraisal regulations, an institution must obtain an evaluation of the real property collateral, if no other appraisal exemption applies.

Approved Appraiser List. A listing of appraisers who an institution has determined to be generally qualified and competent to perform appraisals and may address the appraiser's expertise in a particular market and property type.

"As Completed" Market Value. Refer to the definition for Prospective Market Value.

"As Is" Market Value. The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraiser's effective date.

"As Stabilized" Market Value. Refer to the definition for Prospective Market Value.

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Except that the regulated institution also may accept an appraisal that was prepared by an appraiser engaged directly by another financial services institution in certain circumstances as not forth in the Agencies' appraisal regulations.

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Automated Valuation Model — A computer program that estimates a property’s market value based on market, economic, and demographic factors. Hybrid models generally use property characteristic data (such as square footage and room count) and methodologies to process information, often based on statistical regression. Index models generally use geographic repeat sales data over time rather than property characteristic data. Blended or hybrid models use elements of both hedonic and index models.

Broker Price Opinion (BPO) — An estimate of the probable sales or listing price of the subject property provided by a real estate broker, sales agent, or sales person. A BPO generally provides a varying level of detail about a property’s condition, market, and neighborhood, as well as comparable sales or listings. A BPO is not by itself an appraisal or evaluation, but could be used for monitoring the collateral value of an existing loan, when deemed appropriate. Further, the Dodd-Frank Act provides “[i]n conjunction with the purchase of a consumer’s principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of loan origination of a residential mortgage loan secured by such piece of property.”

Business Loan — As defined in the Agencies’ appraisal regulations, a loan or extension of credit by any corporation, general or limited partnership, business trust, joint venture, syndicate, sole proprietorship, or other business entity. A business loan includes extensions of credit engaged in agricultural operations, which is consistent with the Agencies’ real estate lending guidelines definition of an improved property loan that include loans secured by farmland, timberland, and ranchland committed to ongoing management and agricultural production.

Business Loan Threshold — A business loan with a transaction value of $1,000,000 or less does not require an appraisal if the primary source of repayment is not dependent on the sale of, or rental income derived from, real estate. As specified in the Agencies’ appraisal regulations, an institution must obtain an evaluation of the real property collateral.

Client — According to USPAP, the party or parties who engage an appraiser by employment or contract for a specific appraisal assignment. For the purposes of these Guidelines, the appraiser should be aware that the client is the regulated institution. (Refer to the section on Third Party Arrangements in these Guidelines.)

Credible (Appraisal) Assignment Results — According to USPAP, credible means “worthy of being” used in the context of the Scope of Work Rule. Under this rule, credible assignment results depend on meeting or exceeding both (1) the expectations of parties who are regularly intended users for similar assignments, and (2) what an appraiser’s peers’ actions would be in performing the same or a similar assignment.

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53 Dodd-Frank Act Section 1111(b).
54 NCUA’s appraisal regulations, 12 CFR 702, do not define “business loan.” A “member business loan” is regulated under 12 CFR 723.
55 NCUA’s appraisal regulations, 12 CFR 727, do not provide a higher appraisal threshold for loans defined as “member business loans” under 12 CFR 723.
Credit File - A hardcopy or electronic record that documents all information necessary to (1) analyze the credit before it is granted and (2) monitor the credit during its life. An institution may use a computerized or manual system to manage the information in its credit files.

Date of the Appraisal Report - According to USPAP, the date of the appraisal report indicates when the appraisal analysis was completed.

Effective Date of the Appraisal - USPAP requires that each appraisal report specify the effective date of the appraisal and the date of the report. The date of the report indicates the perspective from which the appraiser is examining the market. The effective date of the appraisal establishes the context for the value opinion. Three categories of effective dates—retrospective, current, or prospective—may be used, according to the intended use of the appraisal assignment.

Effective Date of the Evaluation - For the purposes of the Agencies' appraisal regulations and these Guidelines, the effective date of an evaluation is the date that the analysis is completed.

Engagement Letter - An engagement letter between an institution and an appraiser documents the expectations of each party to the appraisal assignment. For example, an engagement letter may specify, among other items: (i) the property's location and legal description; (ii) intended use and users of the appraisal; (iii) the requirement to provide an opinion of the property's market value; (iv) the expectation that the appraiser will comply with applicable laws and regulations, and be consistent with supervisory guidance; (v) appraisal report format; (vi) expected delivery date; and (vii) appraisal fee.

Evaluation - An evaluation permitted by the Agencies' appraisal regulations for transactions that qualify for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption.

Exposure Time - As defined in USPAP, the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time is a function of price, time, and use—not an isolated opinion of time alone. (See USPAP Standard 1-2(c) and Statement 6.)

Extraordinary Assumption - As defined in USPAP, an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions regarding the property's market value. An example of an extraordinary assumption is when an appraiser assumes that an application for a zoning change will be approved and there is no evidence to suggest otherwise.

Federally Regulated Institution - For purposes of the Agencies' appraisal regulations and these Guidelines, an institution that is supervised by a federal financial institutions regulatory agency. This includes a national or a state-chartered bank and its subsidiaries, a bank holding company and its non-bank subsidiaries, a federal savings association and its subsidiaries, a federal savings and loan holding company and its subsidiaries, and a credit union.
Federally Related Transaction – As defined in the Agencies’ appraisal regulations, any real estate-related financial transaction in which the Agencies or any regulated institution engages or contracts for, and that requires the services of an appraiser.

Financial Services Institution – The Agencies’ appraisal regulations do not contain a specific definition of the term “financial services institution.” The term is intended to describe any entity that provides services in connection with real estate lending transactions on an ongoing basis, including loan brokers.

Going Concern Value – The value of a business entity rather than the value of the real property. The valuation is based on the existing operations of the business and its current operating record with the assumption that the business will continue to operate.

Hypothetical Condition – As defined in USPAP, a condition that is contrary to what exists but is supposed for the purpose of analysis. An example of a hypothetical condition is when an appraiser assumes a particular property’s zoning is different from what the zoning actually is.

Loan Production Staff – Generally, all personnel responsible for generating loan volume or approving loans, as well as their subordinates and supervisors. These individuals would include any employee whose compensation is based on loan volume (such as processing or approving of loans). An employee is not considered loan production staff just because part of their compensation includes a general bonus or merit sharing plan that benefits all employees. Employees responsible solely for credit administration or credit risk management are not considered loan production staff.

Marketing Time – According to USPAP Advisory Opinion 7, the time it might take to sell the property interest at the appraised market value during the period immediately after the effective date of the appraisal. An institution may request an appraiser to separately provide an estimate of marketing time in an appraisal. However, this is not a requirement of the Agencies’ appraisal regulations.

Market Value – As defined in the Agencies’ appraisal regulations, the most probable price which a property would bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale at a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
**Preliminary Unit** — A unit may be considered pre-sold if a buyer has entered into a binding contract to purchase the unit and has made a substantial and non-refundable earnest money deposit. Further, the institution should obtain sufficient documentation that the buyer has entered into a legally binding sales contract and has obtained a written prequalification or commitment for permanent financing.

**Prospective Market Value “as Completed” and “as Stabilized”** — A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective value that is subsequent to the date of the appraisal report. Prospective values are intended to reflect the current expectations and developments of market participants, based on available data. Two prospective value options may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value “as completed” reflects the property’s market value as of the time that development is expected to be completed. The prospective market value “as stabilized” reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Standard and Advisory Opinion 17.)

**Put Back** — Represents the ability of an investor to reject mortgage loans from a mortgage originator if the mortgage loans do not comply with the warranties and representations in their mortgage purchasing agreement.

**Raw Land** — A parcel or tract of land with no improvements, for example, infrastructure or vertical construction. When an appraisal of raw land includes entitlements, the appraisal should disclose when such entitlements will expire if improvements are not completed within a specified time period and the potential effect on the value conclusion.

**Real Estate-Related Financial Transaction** — As defined in the Agencies’ appraisal regulations, any transaction involving:

- The sale, lease, purchase, investment in or exchange of real property, including interests in property or the financing thereof;
- The refinancing of real property or interests in real property, or
- The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

**Regulated Institution** — Refer to the definition of Federally Regulated Institution.

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Restricted Use Appraisal Report — According to USPAP Standards Rule 2-2(c), a restricted use appraisal report briefly states information significant to solve the appraisal problem as well as a reference to the existence of specific work-file information in support of the appraiser's opinions and conclusions. The Agencies believe that the restricted use appraisal report will not be appropriate to underwrite a significant number of federally related transactions due to the lack of supporting information and analysis in the appraisal report. However, it may be appropriate to use this type of appraisal report for ongoing collateral monitoring of an institution's real estate transactions and other purposes.

Sales Concessions — A cash or noncash contribution that is provided by the seller or other party to the transaction and reduces the purchaser's cost to acquire the real property. A sales concession may include, but is not limited to, the seller paying all or some portion of the purchaser's closing costs (such as prepaid expenses or discount points) or the seller conveying to the purchaser personal property which is typically not conveyed with the real property. Sales concessions do not include fees that a seller is customarily required to pay under state or local laws. In developing an opinion of market value, an appraiser must take into consideration the effect of any sales concessions on the market value of the real property. (See "market value" above and USPAP Standards Rule 1-2(b).)

Sales History and Pending Sales — According to USPAP Standards Rule 1-5, when the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business, analyze: (1) all current agreements of sale, options, and listings of the subject property as of the effective date of the appraisal, and (2) all sales of the subject property that occurred within three years prior to the effective date of the appraisal.

Scope of Work — According to USPAP Scope of Work Rule, the type and extent of research and analysis in an appraisal assignment. (See the Scope of Work Rule in USPAP.)

Self-contained Appraisal Report — According to USPAP Standards Rule 2-2(a), a self-contained appraisal report is the most complete and detailed appraisal report option.

Sum of Retail Sales — A mathematical calculation of the sum of the expected sales prices of several individual properties in the same development to an individual purchaser. The sum of retail sales is not the market value for purposes of meeting the minimum appraisal standards in the Agencies' appraisal regulations.

Summary Appraisal Report — According to USPAP Standards Rule 2-2(h), the summary appraisal report summarizes all information significant to the solution of an appraisal problem while still providing sufficient information to enable the client and intended user(s) to understand the rationale for the opinions and conclusions in the report.

Tract Development — As defined in the Agencies' appraisal regulations, a project of five units or more that is constructed or is to be constructed as a single development. For purposes of these Guidelines, "unit" refers to a residential or commercial building lot, a detached single-family home, an attached single-family home, and a residence in a condominium, cooperative, or timeshare building.
**Transaction Value** – As defined in the Agencies' appraisal regulations:

- For loans or other extensions of credit, the amount of the loan or extension of credit,
- For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved, and
- For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

For purposes of this definition, the transaction value for loans that permit negative amortization should be the institution's total committed amount including any potential negative amortization.

**Uniform Standards of Professional Appraisal Practice (USPAP)** – USPAP identifies the minimum set of standards that apply in all appraisal, appraisal review, and appraisal consulting assignments. These standards are promulgated by the Appraisal Standards Board of the Appraisal Foundation and are incorporated as a minimum appraisal standard in the Agencies' appraisal regulations.

**Unsold Units** – An unsold unit is a unit that does not meet the conditions listed in the definition of Presold Units.

**Value of Collateral (for Use in Determining Loan-to-Value Ratio)** – According to the Agencies' real estate lending standards guidelines, the term "value" means an opinion or estimate set forth in an appraisal or evaluation, whichever may be appropriate, of the market value of real property, prepared in accordance with the Agencies' appraisal regulations and these Guidelines. For loans to purchase an existing property, "value" means the lesser of the actual acquisition cost or the estimate of value.
作成目的・背景
Appraisal Management Company (AMC) に関するよくある質問について全米不動産協会がまとめ、2013年7月13日に公表したもの。AMCという事業体は1960年代より存在していたが、2009年5月に設定された "Home Valuation Code of Conduct（住宅ローン担保物件評価に関わる行動規範）"により、不動産業界において注目されることとなったため、AMCおよびAMCに関連する直近の規制および業務内容についてまとめられたものである。

（注）Home Valuation Code of Conduct (HVCC)
リーマンショック後、ニューヨーク州政府とFannie MaeおよびFreddie Mac（何れもアメリカ政府支援の住宅投資機関）によるサブプライム問題の和解に際し設定された不動産鑑定士の独立性・中立性を確保するための住宅ローン担保物件評価に関わる行動規範（2009年5月1日施行、同年8月16日廃止）
HVCCはFannie MaeおよびFreddie Macが遵守すべき行動規範として設定され、同業他社に対する法的強制力はなかったものの、最大手2機関が導入したため、実質的に業界全体が遵守すべき行動規範として受け止められた。
ただし、不動産鑑定士と依頼者（金融機関）を完全に隔離する制度となっていたため（結果、AMCを活用せざるを得なかったため）、地域専門性の高い不動産鑑定士が業務に携わることがなくなったために、経験の浅い不動産鑑定士が低廉は報酬額でAMCから受託するなど不動産鑑定評価の精度に対する懸念が生じ、HVCCは2009年8月16日に廃止された。
HVCCが提唱した不動産鑑定士の独立性・中立性に関する内容は、The Dodd-Frank Wall Street Reform and Consumer Protection Act（ドッド＝フランク・ウォール街改革・消費者保護法；2010年7月21日施行）に引き継がれることとなった。なお、同法においてAMC活用は義務付けられていない。

構成・概要
近年、AMCが活用されることとなった背景、AMCの業務の範囲、AMC活用時の作業プロセス等の一般的な概要について、質疑応答形式にて記載されている。
<table>
<thead>
<tr>
<th>本文に関連する条文・記述</th>
<th>The Dodd–Frank Wall Street Reform and Consumer Protection Act (July 21, 2010) (ドッド＝フランク・ウォール街改革・消費者保護法)</th>
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<tr>
<td><strong>TITLE XIV — MORTGAGE REFORM AND ANTI–PREDATORY LENDING ACT</strong></td>
<td>14 章 - 住宅ローン改革および反略奪的貸付に関する法</td>
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<td><strong>Subtitle F — Appraisal Activities</strong></td>
<td>F 項 - 不動産鑑定業務</td>
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<tr>
<td>Sec. 1472. Appraisal independence requirements.</td>
<td>1472. 不動産鑑定の独立性に関する要件</td>
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What is an Appraisal Management Company (AMC)?

An Appraisal Management Company (AMC) works with lenders and appraisers to facilitate the ordering, tracking, quality control and delivery of appraisal reports. AMCs have been in existence since the 1960s, but in limited numbers when compared to today. In 2009, New York Attorney General Andrew Cuomo, Fannie Mae and Freddie Mac, with support from the Federal Housing Finance Agency, developed a set of appraisal rules called the Home Valuation Code of Conduct (HVCC). The rules were developed to isolate parties with a financial interest in a mortgage loan transaction from appraiser selection and retention. Although no longer in force, HVCC influenced the Appraiser Independence rules now found in The Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, AMCs have proliferated as many lenders use their services in order to provide strict adherence to Dodd-Frank, Truth in Lending and Interagency Guidelines.

Is a lender required to use an AMC?

Lenders are not required to use AMCs. Lenders must ensure that appraisers are engaged independently and not unduly influenced. As a result, many lenders use Appraisal Management Companies (AMCs) to fulfill that role. Risk practices vary from lender to lender, so AMCs must adjust to the reporting requirements of each lender client.

How are AMCs regulated?

Dodd-Frank requires that the Federal Financial Institution Regulatory Agencies, the Federal Housing Finance Agency and the Bureau of Consumer Financial Protection, jointly promulgate rules on the minimum requirements for states to register AMCs. Some states have already passed AMC legislation, and others are in the process of finalizing legislation. All state legislation must cover the minimum federal requirements, but individual states may adopt their own additional AMC requirements as well.

What is an AMC’s role in the appraisal process?

The AMC performs the administrative functions involved in the ordering, completion and delivery of an appraisal report. Each AMC establishes processes to complete and/or enhance these functions based on the AMC’s business model and corresponding Federal and State regulatory requirements. Appraisal management companies do not perform appraisals.
How do AMCs qualify appraisers?

AMCs typically develop screening and on-going assessment processes and benchmarks to measure and track performance in order to monitor an appraiser’s eligibility for continued appraisal assignments.

How does an AMC select an appraiser for an appraisal assignment?

An AMC assigns an appraisal using a wide range of criteria. Criteria may or may not include local experience and proximity to the subject property, license level, education, access to the appropriate MLS, appraisal quality history, timeline performance and capacity at the time of order assignment.

How does the AMC interact with the appraiser during the course of the assignment?

The AMC places the order with the appraiser, confirms the borrower’s contact information, the lender’s special instructions and the due date. During the appraisal process, the AMC may communicate with the appraiser and request updates on possible issues or discrepancies. After an appraiser completes an assignment, the appraisal is sent securely to the AMC. Dodd-Frank, and most state regulations, requires AMCs to have a system in place to assess appraisal quality. After this process, the appraisal is available to the lender/Client.

Why do Lenders have their own individual requirements?

In addition to the legislative and regulatory appraisal requirements that have been implemented in the past few years, many lenders have established their own appraisal requirements based on internal risk policies and the data within the appraisal that they feel affects those policies.

What are the options if someone disagrees with the appraisal?

If a party disagrees or wishes to challenge the appraisal, most AMCs have a specified method by which this can be accomplished. Requests are typically made through the lender where additional data/comparables or perceived errors in the report are supplied for reconsideration by the appraiser. After review, the appraiser may, or may not, revise the appraisal report and or value.

Why isn’t the buyer the AMC’s client? Why is the lender the client?

The AMC is providing a service as an agent for the lender. Lenders are mandated by federal legislation to maintain real estate appraisal programs that independently engage appraisers for federally related transactions. Many lenders use Appraisal Management Companies (AMCs) to fulfill that role.
How can real estate agents prepare the property for an appraisal?

Real estate agents can prepare the property for an appraisal by encouraging homeowners to address obvious deferred maintenance and significant repairs, or any condition that affects safety, soundness or structural integrity. Neither Fannie Mae nor Freddie Mac will accept a loan on a property if there is an existing condition that is severe enough to affect safety, soundness or the structural integrity of a home. Additionally, Freddie Mac will not accept a property that has obvious deferred maintenance and is in need of significant repairs. Real estate agents may also recommend that homeowners remove sensitive pictures or religious symbols that could prevent an appraiser from taking the required photographs for the report due to privacy concerns. Real estate agents may provide buyers and sellers a copy of The Appraisal Foundation’s Guide to Understanding a Residential Appraisal.

Can real estate agents provide information to the appraiser before the appointment?

Real estate agents are encouraged to provide appraisers information such as recent comparables that are similar to the property being appraised, plat surveys, inspection results, and details about the neighborhood, such as schools and shopping options. Real estate agents should also enter as much information as possible into an MLS listing including multiple interior photos. Some MLSs allow energy efficiency details and certifications to be added to the listing information as well. See a recent blog post, “10 Tips for Brokers to Help the Appraisal Process”, for more information about this topic.
2. イギリス

RICS評価基準 2014（RICS）
RICS Valuation Professional Standards (January 2014)

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<th>作成目的・背景</th>
<th>本基準は、英国王立チャータード・サーベイヤーズ協会（RICS: Royal Institute of Chartered Surveyors）が策定するRICS評価基準（Red Book:RICS Valuation Professional Standards）</th>
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<tr>
<td>構成・概要</td>
<td>鑑定人が鑑定評価を行う場合に従う必要のある基準であり、広範囲にわたる内容が記載されている。</td>
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| 本文に関連する条文・記述 | 評価基準2の8.3「評価人の交代に係る方針」
評価人の交代について、RICSは、実務上、7年を超えない期間での評価人の交代が望ましい（必須ではない）と考えている。また、事業者の規模が小さい場合など、例えば、同一の評価依頼を定期的に受ける場合は、他の評価人によって7年以内に定期的な見直しをするように調整することで、評価の客観性を維持し、評価に対する信頼性を保つ方策を講じることができる。
評価実務ガイダンス2の3「客観性と利益相反」
金融機関は担保融資評価のための独立性に関する独自の基準を定めていることが多いが、追加すべき基準として、評価人は融資の貸し手またはその予定者、評価資産、さらに融資を必要とする取引のすべての関係者との間に、過去、現在、将来にわたって利害関係がないこととし、この場合の「過去の関係」とは、通常は依頼日あるいは契約日のある方から起算して過去24ヶ月以内における関係をいう。 |
Preface

January 2014

This new edition of the RICS Valuation Professional Standards, the Red Book as it has become widely known, is the culmination of a comprehensive review of the content, framework and format of the 2012 and earlier editions. It also includes new material relating to business valuation and intangible assets.

This 2014 edition adopts and is fully compliant with the International Valuation Standards (IVS), which are reproduced as an annex in both hard copy and digital versions. RICS not only embraces these high level valuation principles itself but also supports the adoption and implementation of such universal standards globally. While the RICS Red Book continues to cover in considerable detail the valuation of assets in the form of real estate (land, buildings and interests therein), its coverage extends to all types of asset, including associated liabilities where appropriate.

This edition incorporates a number of significant changes and updates, including its layout and format, to enhance its clarity and ease of use, and to ensure a robust framework for consistency and best practice in the execution and delivery of valuations.

Material that previously appeared in different parts of the 2012 edition has been brought together in increased clarity and reduced duplication.

The Valuation Standards VSI 6 of the 2012 edition, including the associated Appendices, have been reviewed and incorporated into Global Professional Standards (GPS) and Global Valuation Practice Statements (GVPS). All members providing a written valuation are required to comply with these Professional Standards and Valuation Practice Statements. In other words, unless stated otherwise they are mandatory.

The guidance notes included within the 2012 edition have also been reviewed and updated and are now included as RICS Global Valuation Practice Guidance – Applications (GVGA). These Applications focus on the relevance and implementation of the professional standards and valuation practice statements in specific contexts, whether for a particular purpose or in relation to a particular property or asset type. While the applications are primarily advisory in nature, all members are expected to be familiar with them.

Alongside this new edition of the Red Book, work is being taken forward to secure that real estate around the world is also measured consistently. Thus RICS is a member of an international coalition, initially comprising 20 founder member organisations, to establish International Property Measurement Standards (IPMS), the first edition of which is due to publish in 2014. Such measurement standards will relate to and interconnect with all RICS published material.
Acknowledgments

The RICS appraisal and valuation manual was originally published under two separate titles:

- Guidance notes on the valuation of assets, 1st (1976), 2nd (1988) and 3rd (1990) editions, published under the title, Statement of Asset Valuation Practice and Guidance Notes and


The RICS Appraisal and Valuation Standards were first published in 2003. Nine amendments were published between March 2003 and April 2007.


The 7th edition of the RICS Valuation Standards — Global and UK was published in April 2011.

The 2012 edition of the RICS Valuation — Professional Standards (Global and UK) was published in March 2012.

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Extracts from International Financial Reporting Standard 13 (IFRS 13) Fair Value Measurement in IPS 4 and from International Accounting Standard 17 Leases in UKGN 1:

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RICS would like to thank the Chartered Institute of Public Finance and Accountancy (CIPFA) for its help in revising UK appendix 5.

RICS would like to thank Communities and Local Government (formerly ODPM) for its help in revising UKGN 5, Local authority disposal of land for less than best consideration.

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The Institute of Revenues Rating and Valuation (IRRV) is the largest UK professional body operating in the field of revenues, benefits and valuation. RRV valuer members usually have dual membership of RICS and IRRV.
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IVSC International Valuation Standards (IVS) 2013
PS 2 Ethics, competency, objectivity and disclosures

As it is fundamental to the integrity of the valuation process, all members practising as valuers must have the appropriate experience, skill and judgment for the task in question and must always act in a professional manner free from any undue influence, bias or conflict of interest.

Implementation

1. Responsibility for the valuation

1.1 Each valuation to which these professional standards and valuation practice statements apply must be prepared by, or under the supervision of, an appropriately qualified, and named, valuer who accepts responsibility for it.

1.2 Where the valuation has been prepared with input from other members or valuers, or a separate valuation report on some specific element is incorporated, the resultant valuation remains the responsibility of the named valuer under...
paragraph 1.3 above, but the others involved may be acknowledged (together with the statements required under IVS 3, Valuation reports, paragraph 7(k)).

1.3 RICS does not allow a valuation to be prepared by a 'firm' (as stated in IVS 103 Reporting (a) Identification and status of the valuer). However, the use of "for and on behalf of" where the responsible valuer's signature is an acceptable substitution.

1.4 The member is discouraged from referring to any valuation or report as either 'formal' or 'informal', as these terms may give rise to misunderstanding, particularly regarding assumptions that the member may or may not have made.

1.5 The member must exercise great caution before permitting valuations to be used for purposes other than those originally agreed. It is possible that a recipient or reader will not fully appreciate the restricted character of the valuation and of any qualifications in the report, and that it may be misquoted out of context. It is essential therefore that the terms of reporting appropriately address this risk. See also paragraph 5, Maintaining strict separation between advisors, below.

2 Professional and ethical standards

2.1 All RICS members are bound by the RICS Rules of Conduct. To assist members in their observance of the Rules, RICS has published a Global framework for Professional and Ethical Standards. The framework contains five standards that require members to:

* act with integrity
* always provide a high standard of service
* act in a way that promotes the profession
* treat others with respect
* take responsibility.

More detail is available at www.rics.org/ethics

2.2 Similarly, the IRRV Code of Conduct (www.irrv.net) requires its members to comply with technical guidance where this has been issued or endorsed by IRRV. These standards have been issued jointly by RICS and IRRV, and are therefore binding on members who are also members of the IRRV. The enforcement of the IRRV Code of Conduct is a matter for its Professional Conduct Committee, which provides guidance on what is expected of members and deals with complaints received. Sanctions for proven breaches of the Code include suspension or removal from membership. IRRV and RICS may request each other to deal with alleged breaches of these standards by those who are members of both bodies, and may share information with a view to ensuring compliance.

2.3 The IVSC has published both a Code of Ethical Principles for Professional Valuers and A Competency Framework for Professional Valuers. These are reflected in this section, the content of which fully meets the IVSC criteria.

3 Member qualification

3.1 The test of whether an individual is appropriately qualified to accept responsibility for or supervise the inputs into a valuation, involves satisfying the following criteria:

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RICS Valuation - Professional Standards January 2004
• appropriate academic/professional qualifications, demonstrating technical competence
• membership of a professional body, demonstrating a commitment to ethical standards
• sufficient current local, national and international (as appropriate) knowledge of the asset type and its particular market, and the skills and understanding necessary, to undertake the valuation competently
• compliance with any country or state legal regulations governing the right to undertake valuation and
• where the valuer is a member of RICS, compliance with the RICS Valuer Qualification (VR) requirements.

3.2 Members of RICS have to achieve and maintain defined standards of training and competence that meet or exceed the criteria set out in the VSC Multinationals Competency Framework for Professional Valuers. However, as members are active across a wide range of specialisms and markets, membership of (receiving the award of a qualification from) RICS or registration as a valuer does not of itself imply that an individual necessarily has the practical experience of valuation in a particular sector or market; this must be verified by appropriate confirmation.

3.3 In some countries or states valuers are required to be certified or licensed to undertake certain valuations, and in such cases PS 1 paragraph 4, Compliance with other valuation standards, will apply. In addition, either the client or RICS national association valuation standards may stipulate more stringent requirements.

3.4 If the member does not have the required level of expertise to deal with some aspect of the commission properly then he or she should decide what assistance is needed. The member should then assemble and interpret relevant information from other professionals, such as specialist valuers, environmental surveyors, accountants and lawyers.

3.5 The personal knowledge and skill requirements may be met in aggregate by more than one member within a firm, provided that each meets all the other requirements of this valuation standard.

3.6 The client’s approval must be obtained if the member proposes to employ another firm to provide some or all of the valuations that are the subject of the instruction (see also VPS 3, Valuation reports, paragraph 7(a), Identification and status of valuer).

3.7 Where more than one valuer has undertaken or contributed to the valuation, a list of those valuers must be retained with the working papers, together with a confirmation that each named valuer has complied with the requirements of PS 1, Compliance with standards and practice statements where a written valuation is provided.

4 Independence, objectivity and conflict of interest

4.1 Members are required to exercise independence and objectivity in all instructions. For some purposes, statutes, regulations, rules of regulatory bodies or client’s special requirements may set out specific criteria that the member must also
meet in order to achieve a defined state of independence and objectivity. Frequently such additional criteria provide a definition of the acceptable level of independence and may use terms such as "independent expert", "expert valuer", "independent valuer", standing independent valuer" or "appropriate valuer". It is important that the member confirms compliance with these criteria both when confirming acceptance of the instruction and in the report, so that the client and any third party relying on the report can be assured that the additional criteria have been satisfied.

4.2 There is a general duty to treat information relating to a client as confidential where that information becomes known as a result of the professional relationship and is not in the public domain. The risk of disclosure of confidential information is a material factor that the valuer should consider in assessing whether or not there is a potential conflict of interest. A factor to be borne in mind is that it may be necessary to disclose some details of the valuer’s involvement in the subject of the valuation. If an adequate disclosure cannot be made without breaching the duty of confidentiality then the instruction should be declined. The duty of confidentiality is continuous and ongoing, and includes current, past and even potential clients.

4.3 Although the member may meet the stipulated criteria for the particular appointment, the general RICS ethical requirements referred to in this section will still apply. It is therefore necessary for the member to identify any threats to their independence and objectivity, and take the appropriate action before accepting the instruction.

4.4 Members shall at all times act with integrity and avoid any actions or situations that are inconsistent with their professional obligation. Where a conflict, or potential conflict, is identified, consideration has to be given as to whether the instruction should be accepted or declined. To provide an audit trail, a note of all conflict of interest checks and their resolution must be retained with the working papers.

4.5 It is not possible to provide a definitive list of situations where a threat to a member's independence or objectivity may arise. However the following are examples of where it will usually be necessary for the member either to make an appropriate disclosure and propose a way to satisfactorily manage the conflict (see also paragraph 6, maintaining strict separation between advisers) or, where it is considered that any conflict that might arise cannot be resolved or managed in a satisfactory way in accordance with these professional standards, to decline to act:

- acting for the buyer and the seller of a property or asset in the same transaction
- acting for two or more parties competing for an opportunity
- advising a lender where advice is also being provided to the borrower
- valuing a property or asset previously valued for another client
- undertaking a valuation for third-party consumption where the valuer’s firm has other fee-earning relationships with the client and
- valuing both parties’ interests in a leasehold transaction.

4.6 Additional guidance on conflicts of interest is available to RICS members at www.rics.org/guidance including the RICS guidance note, Conflicts of Interest (2012). Although the latter is written specifically to assist valuers of any discipline who are appointed to resolve disputes, it is of relevance to valuation assignments more generally as it contains in its appendices detailed examples of conflicts of interest in a hierarchical format.
4.7 The extent to which any potential conflict of interest will compromise the member's overriding obligation to act with independence and objectivity will depend on the circumstances of each case. Material factors may include the particular context and purpose of the valuation, the client's motivation and objectives and the practicality of managing conflicts in accordance with the guidance specified in paragraph 3.5. Member qualifications, above. The interest of any third parties in the valuation, and the reliance they may place on it, will also be a relevant consideration. If the member doubts his or her ability to avoid or manage any threat to independence, the instruction should be declined.

4.8 In choosing to express and seek agreement to the proposals for managing the conflict, the member must consider the standing and nature of the client, or prospective client. A large corporate client will find it easier to give an informed consent than a small business or an individual with rarely employed professionals. The member may have reason to believe that a prospective client does not have sufficient awareness of the issues to make an informed decision on the implications of any potential conflict, or the proposals for its management. In such cases, the member should either decline the instruction, or advise the prospective client to seek advice from another professional (for example, a lawyer or accountant) about the situation.

4.9 A member may be asked to act for both parties to a proposed transaction. Careful consideration must be given as to whether it is desirable to accept such an instruction, such as weighing the possibility of a conflict of interest arising in the future because of divergence of the clients' respective interests. If the member concludes that it is inappropriate or unwise, the written consent of both parties should be obtained before accepting the commission and reference to that consent must be included in the report.

4.10 A threat to the member's objectivity can arise where the outcome of a valuation is discussed before its completion with either the client or another party with an interest in the valuation. While such discussions are not improper and need not be avoided, the member and the client, the member must be alert to the potential influence that such discussions may have on his or her fundamental duty to provide an objective opinion. Where such conversations take place, the member must make a written record of any meetings or discussions, and whenever the member deems to alter a provisional valuation as a result, the grounds for doing so must be carefully noted.

4.11 The member may need to disclose various matters, such as the verification of facts and other relevant information (for example, confirming the outcome of rent reviews or clarifying the boundaries of a property) before forming a preliminary opinion of value. At any stage in the valuation process such discussions give the member an opportunity to understand the member's viewpoint and evidence. It is expected that the client would disclose facts or information, including information about transactions in the property asset or liability, relevant to the valuation task.

4.12 In providing a client with preliminary advice, or a draft report or valuation in advance of its completion, the member must state that:

- the opinion is provisional and subject to completion of the final report
- the advice is provided for the client's internal purposes only and
- any draft is or no account to be published or disclosed.
If any matters of fundamental importance are not reflected, their omission must be declared.

4.13 Where discussions with a client occur after the provision of preliminary material or opinions, it is important that such discussions do not, and can be shown not to, lead to any perception that the member's opinion has been influenced by those discussions other than to correct inaccuracies or incorporate any further information provided.

4.14 To demonstrate that the discussions have not compromised the member's independence the file notes of discussions with the client or draft reports or valuations should include:
- the information provided, or the suggestions made, in relation to the valuation
- how that information was used to consider a change in material matters or opinions and
- the reasons why the valuation has or has not been changed.

4.15 If requested, this record should be made available to auditors or any other party with a legitimate and material interest in the valuation.

5 Maintaining strict separation between advisers

5.1 RICS has strict guidelines on the minimum standards that must be adopted by organisations when separating the adviser acting for conflicting clients. Any arrangement (to locally known in some jurisdictions as a 'Chinese wall') that is established must be robust enough to offer no chance of information or data passing from one set of advisers to another. This is a strict test; taking reasonable steps to operate an effective separation is not sufficient. Accordingly, any arrangement set up and agreed to by affected clients must ensure that:
- the individual(s) acting for conflicting clients must be different - note that this extends to secretarial and other support staff
- such individuals or teams must be physically segregated, at least to the extent of being in different parts of a building, if not in different buildings altogether
- any information or data, however held, must not be accessible to the other side at any time and, if in written form, must be kept secure in separate locked accommodation to the satisfaction of the compliance officer, or another senior independent person, within the firm
- the compliance officer or other senior independent person:
  should oversee the setting up and maintenance of the arrangement while it is in operation, adopting appropriate measures and checks to ensure it is effective
  - must have no involvement in either of the instructions and
  - should be of sufficient status within the organisation to be able to operate without hindrance and
- there should be appropriate education and training within the firm on the principles and practices relating to the management of conflicts of interest.
5.2 Effective arrangements are unlikely to work without considerable planning, as their management needs to be an established part of a firm’s culture. It will therefore be more difficult, and often impossible, for smaller firms or offices to undertake them.

6 Duty of care to third parties

6.1 Where a duty of care is owed to a third party who is identifiable from the outset, the disclosures in accordance with paragraph 3. Disclosures where the public has an interest or upon which third parties may rely, must be made promptly to that party before the valuation is undertaken. In addition to the disclosures required under paragraph 3 there must also be disclosure of any circumstances where the valuer or the firm will gain from the appointment beyond a normal fee or commission. This gives third parties the opportunity to object to the appointment if they feel that the member’s independence and objectivity may be compromised.

6.2 However, in many cases the third parties will be a class of individuals, for example, the shareholders of a company, whose disclosure at the outset to all interested third parties would clearly be impractical. In such cases the earliest practicable opportunity for disclosure will be in the report or any published reference to it. A greater onus thus lies on the member to consider before accepting the instruction, whether those third parties relying on the valuation will accept that any involvement requiring disclosure does not unduly compromise the member’s objectivity and independence. See paragraph 8. Disclosures where the public has an interest or upon which third parties may rely, for further detail about disclosures in relation to specific categories of valuation.

6.3 Valuations in the public domain, or which will be relied on by third parties, are frequently subject to statute or regulation. There are other specific stipulations that the member must meet in order to be deemed suitable to provide a truly objective and independent view. For certain purposes RICS professional standards may also impose specific restrictions or conditions on the member providing valuation advice where there was previous involvement with the asset or a party with an interest in it. However, there are no specific criteria for most valuations, and the onus is on the member to ensure that there is an awareness of potential conflicts and other threats to independence and objectivity.

7 Terms of engagement

7.1 It is fundamental that by the time the valuation is concluded, but prior to the issue of the report, all the matters material to the report have been fully brought to the client’s attention and appropriately documented. This is to ensure that the report does not contain any revision of the initial terms of engagement of which the client is unaware.

7.2 Members should take care that they understand their clients’ needs and requirements fully, and appreciate that there will be occasions when they may need to guide clients to choose the most appropriate advice for the given circumstances.

7.3 The standards for minimum terms of engagement are set out in VPS 1. Minimum terms of engagement. Where VPS 1 is not mandatory the minimum terms of engagement may nevertheless provide a guide to the drafting of terms to suit the specific case.
7.4 As disputes may arise many years after the completion of a valuation, it is essential that the agreement of the terms of engagement is contained in, or evidenced by, comprehensive documentation maintained in a recognised and acceptable business format.

8 Disclosures where the public has an interest or upon which third parties may rely

8.1 Disclosure requirements

8.1.1 Certain types of valuation may be relied on by parties other than the client that either commissioned the report or to whom it is addressed. Examples of this type of valuation would include those for:

- a published financial statement
- a stock exchange, or similar body
- utilisation, prospectus or circular
- investment schemes or
- takeovers or mergers.

Where the valuation is of an asset that has previously been valued by the value, or the valuer's firm for any purpose, the following disclosures must be made in the terms of engagement, in the report, and in any published reference to the valuation:

- the relationship with the client and previous involvement
- rotation policy
- time as signatory
- proportion of fees.

8.1.2 The disclosures required by this professional standard may be extended by requirements that apply to a specific country or state (where PS 1, paragraph 4, Compliance with other valuation standards, applies), or that are incorporated into the relevant national association valuation standard (where PS 1, paragraph 5, RICS National Association valuation standards, applies). For additional or modified requirements in relation to valuations for secured lending see VPBS 2, Valuation for secured lending.

8.2 The relationship with the client and previous involvement

8.2.1 Although the requirement for the member to act with independence, integrity and objectivity is clear, it does not require disclosure of all the working relationships between the member and the client. The member is not expected to establish and evaluate every possible set of circumstances, but should reflect the principles and their spirit. In cases of doubt it is recommended that a disclosure is made. The extent and duration of the relationship of the member's firm with the client for any purpose shall be disclosed as required by the following paragraphs.

8.2.2 To expose any potential conflict of interest where the member, or the member's firm, has been involved with the purchase of one or more properties for
the client within the period of 12 months preceding the date of instruction or date of 
agreement of the terms of engagement (whichever is earlier) or a specific longer-
period prescribed or adopted in a particular jurisdiction, the member shall disclose in 
relation to those properties:
- receipt of an introductory fee or 
- negotiation of that purchase on behalf of the client.

8.2.3 In considering the disclosures required by this professional standard, it is 
necessary to identify the "client" and "firm".

8.2.4 There are many different relationships that may be considered to be "within the 
identification of the client and firm. To be consistent with the minimum terms of 
engagement (see VPS 1, Minimum terms of engagement and reporting (see VPS 3, 
Valuation reports)), the client is the entity that agrees the terms of engagement and 
to which the report is addressed. The firm is the entity that is identified in the 
confirmation of the terms of engagement and the report.

8.2.5 Closely connected companies within a group should properly be regarded as 
a single client or firm. However, due to the often complex nature of modern business, 
it is frequently the case that the other entities have only a remote legal or 
commercial connection with the client for which the member's firm also acts. There 
may also be practical difficulties in identifying such relationships, for example, 
between the associates of the member's firm in other countries or states and the 
client. Sometimes it is the member's commercial relationship with a party other than 
the client that could create a perceived threat to independence.

8.2.6 The member is expected to make reasonable enquiries proportionate to the 
circumstances: it is not necessary to establish every potential relationship that there 
may be, provided the member adheres to the principles of this standard.

8.2.7 The following are examples of where the disclosure requirements will relate to 
and include parties other than the entity giving the valuation instruction:
- subsidiaries of an instructing holding company
- where instructions are from a subsidiary company, those other companies 
  connected by the same holding company or
- a third party issuing valuator instructions as agent for different legal entities, for 
  example, the managers of a property fund.

8.2.8 Similar considerations apply in identifying the extent of the member's firm for 
disclosure purposes, where there may be separate legal entities in different locations 
and/or undertaking different types of work. It may not be relevant to include all 
organisations connected with the firm undertaking the valuation where the activities 
are remote or immaterial – for example, they do not involve the provision of asset 
valuation or similar advice. However, if there is a series of closely connected entities 
trading under a common style, the extent of the client's relationship with all those 
entities should be disclosed – for example, a firm where one arm is undertaking 
valuations and another undertaking all other property advice and management.

8.2.9 National association valuation standards or local regulation may extend this 
requirement by applying additional requirements.
8.3 Rotation policy

8.3.1 The obligation to disclose the firm's rotation policy will arise only where the member has provided a series of valuations over a period of time. Where it is a first or one-off instruction, it is clear that it would be inappropriate to comment on any general rotation policy.

8.3.2 Where the member responsible for the valuation in accordance with this standard holds that responsibility for many years, familiarity with the client or the asset valued could lead to the perception that the member's independence or objectivity has been compromised. This may be addressed by arranging for the rotation of the member who accepts responsibility for the valuation.

8.3.3 The method by which a firm arranges for any rotation of those responsible for valuations is for the firm to decide, after discussion with the client if appropriate. However, RICS recommends that the individual responsible for signing the report, no matter the standing of that member in the firm, has that responsibility for a limited number of years. The exact period will depend on:

- the frequency of valuation
- any control and review procedures in place such as 'valuation panels', which assist both the accuracy and objectivity of the valuation process and
- good business practice.

RICS considers it good practice, albeit not mandatory, to rotate valuers at intervals of not more than seven years.

8.3.4 If a firm's of insufficient size to rotate the signatory, or to have in place 'valuation panels', other arrangements could be made to comply with the principles of this standard. For example, where the same valuation instruction is undertaken on a regular basis, an arrangement for the valuator to be periodically reviewed at intervals not greater than seven years by another member would assist in demonstrating that the member is taking steps to ensure that objectivity is maintained and that any reliance on the valuation.

8.4 Time as signatory

8.4.1 The purpose of this requirement is to provide any third party with information on the length of time that a member has continuously been the signatory to valuations for the same purpose. It also requires a similar disclosure as to the length of time the member's firm has been carrying out valuations of that asset for the same client, and the extent and duration of their relationship.

8.4.2 In relation to the member, the disclosure should relate to the continuous period of responsibility for the valuation up to the date of the report. It is possible that the member was the signatory to previous reports for the same purpose, but due to the firm's rotation policy (as set out earlier) there was a period of time when the member did not have that responsibility. There is no requirement to include that earlier period in the disclosure.

8.4.3 The member is not required to provide a comprehensive account of all work ever undertaken by the member's firm for the client. A simple, concise statement that discloses the nature of other work done and the duration of the relationship is all that is required.
8.4.4 If there is no relationship other than the valuation instruction in question, a statement to that effect should be made.

8.5 Previous involvement

8.5.1 The purpose of this requirement is to expose any potential conflict of interest where the member, or the member's firm, has valued the asset for the same purpose, or has been involved with the purchase of the same asset for the client within the period of 12 months preceding the date of instruction or date of agreement of the terms of engagement (whichever is earlier), or a specific longer period prescribed or accepted in a particular state or country.

8.5.2 Where the valuation is provided for inclusion in a published document in which the public has an interest or upon which third parties may rely, the member shall make the following disclosures.

(a) where a valuation is of an asset that has previously been valued by the member or the member's firm, for the same purpose:

(i) in the terms of engagement, a statement about the firm's policy on the rotation of the valuer responsible for the valuation and
(ii) in the report, and published reference to it, a statement of the length of time the valuer has continuously been the statutory or voluntary provided to the client for the same purpose as the report and, in addition, the length of time the valuer's firm has continuously been carrying out the valuation instruction for the client;

(b) the extent and duration of the relationship of the valuer's firm with the client for any purpose;

(c) where the report, and any published reference to it, includes one or more assets acquired by the client within the 12 months preceding the valuation date, and the member or member's firm, has in remunerated those properties.

(i) received an introductory fee or

(ii) negotiated that purchase on behalf of the client.

The report should be endorsed in accordance with PS 2 paragraph 8.6 Proportion of fees, below.

8.5.3 National association valuation standards or local regulation may extend this requirement by applying additional criteria. For additional or modified requirements in relation to valuation for secured lending see VPQA Z.

8.6 Proportion of fees

8.6.1 A statement should be made that the proportion of the fee as a percentage of the member's firm during the preceding year are minimal, significant or substantial.

8.6.2 A proportion of fees less than 5% may be considered to be 'minimal'. Between 5% and 25% may be considered to be significant, and above 25% is substantial.

8.6.3 National association valuation standards or local regulation may extend this requirement by applying additional criteria.
8.7 Other disclosures

8.7.1 Care should be taken to make sure that, in addition to the various disclosures required under VPS 1 to VPS 3, all other disclosures required for a particular valuation or purpose are made. Disclosure requirements that may require more specific information related to the purpose of the valuation include:

- material involvement
- the status of any member
- specific requirements as to independence
- knowledge and skills of the member
- extent of investigations
- management of any conflicts of interest
- the valuation approach
- disclosures required by any regulatory body governing the purpose of the valuation.

9 Reviewing another valuer’s valuation

9.1 A valuer may quite properly be requested to review all or part of a valuation prepared by another valuer in circumstances that include the following, though the list is not exhaustive:

- assisting the consideration of risk assessment
- providing comment or a published valuation, for instance in a takeover situation, without providing a separate independent valuation
- commenting on valuations produced for use in legal proceedings
- assisting an audit enquiry.

9.2 It is important to make a clear distinction between a critical review of a valuation and an audit of a valuation or an independent valuation of a property, asset or liability included in another valuer’s report.

9.3 In carrying out any review the member is expected, by reference to the valuation date and to the facts and circumstances relevant to the asset at the time, to:

- form opinions as to whether the analysis in the work under review is appropriate
- consider whether the opinions and conclusions are credible and
- consider whether the report is appropriate and not misleading.

9.4 The review must be undertaken in the context of the requirements applicable to the work under review, and the member must develop and report opinions and conclusions together with the reasons for any disagreement.

9.5 A member must not undertake a critical review of a valuation prepared by another valuer that is intended for disclosure or publication, unless the member is in possession of all the facts and information upon which the first valuer relied.
UKVS 3 Valuations of residential property

UKVS 3.1 Residential property mortgage valuations

Valuations of residential property for mortgage purposes shall be in accordance with the RICS residential mortgage valuation specification (see UK appendix 10).

Commentary

1. When valuing residential properties on behalf of building societies, banks and other lenders for mortgage purposes, the valuer shall comply with the specification reproduced in UK appendix 10, unless otherwise agreed in writing, in advance, with the client.

2. The mortgage valuation specification may also be relevant to the provision of advice for the following purposes:
   - re-inspections
   - transfers and transfers of ownership
   - further advances
   - buy to let
   - valuations without internal inspection and
   - retrospective valuations.

Guidance on the provision of advice for those purposes is in UK appendix 11.

3. In Scotland the accepted procedures for buying residential property differ from those in England, Wales and Northern Ireland. Due to time restrictions it may be difficult to issue terms of engagement within the requirements of VPS 1, Minimum terms of engagement. Therefore, RICS Scotland has issued advice (reproduced in UK appendix 12) that aims to reflect best endeavours on behalf of the member or firm.

Loan classification

4. In general, firms that provide advice on residential mortgages are regulated by the FCA Mortgages and home finance conduct of business sourcebook (FCA MCOB). The regulations apply to ‘regulated mortgage contracts’. In order for a loan to fall within the definition of a regulated mortgage contract, at least 40% of the total of the land to be given as security must be used as, or in conjunction with, a dwelling. To be ‘residential property’, at least 40% of the land must normally be used as or in connection with one or more dwellings, or has been or is to be developed or adapted for such use.
5 A lender may ask the valuer for advice on the extent of the use of the property for residential purposes. The advice required should relate to the use of the property, and the value should not be influenced by the relative capital values or floor areas in isolation from the accompanying land.

**UKVS 3.2 Repossession proceedings**

Valuations of residential property for the purpose of possible possession proceedings, or the proposed sale of a repossessed property, shall be on the basis of projected market value (PMV) as expressly defined in UKVS 3.3, subject to the following special assumptions that:

- during the marketing period the property has been unoccupied and all furnishings and fittings have been removed and
- the vendor (the mortgagee) has to sell the property within a reasonable period to recover the secured debt.

**Commentary**

1. Projected market value (PMV, see UKVS 3.3 below) is a special basis of value used in relation to possession proceedings and the marketing of repossessed property.

2. The requirement to assume that the property has been empty means that the valuer has to take into account the adverse effect this may have on its marketability.

3. A valuation on the basis of PMV, in connection with possession proceedings, will exclude the value of furnishings and fittings, although it is likely that their removal will have an adverse impact on marketability and the value of the property.

4. The conceptual framework for market value in UKVS 3.2, Market value, applies, but the second special assumption does slightly modify 'and without commotion'. While a mortgagee is not compelled to sell, there is a requirement to capitalise a non-performing asset. Therefore there is less 'flexibility' than a typical owner-occupier would have. In certain market conditions this could affect the price that could be achieved.

5. The mortgagee as vendor has a duty to secure the best price available in the prevailing market conditions and has to act reasonably. If the mortgagee imposes restrictions on the available marketing period, then these should be identified by the valuer in any special assumptions made.

6. In Scotland, in recognition of the Single Survey, the basis of value for a lender's repossessed property, which is being exposed to the market, will be the same as any other property being brought to the market, that is, market value. Should the lender require any other method of valuation, this must be made clear in the report.

**UKVS 3.3 Projected market value of residential property**

Valuations of residential property on the basis of projected market value shall be in accordance with the definition settled by RICS, Council of Mortgage Lenders (CML) and the Building Societies Association (BSA).
VPGA 2 Valuation for secured lending

1 Scope

1.1 The material in this Valuation Practice Guidance Application (VPGA) provides additional commentary on the practical implementation of IVS 310, Valuations of Real Property Interests for Secured Lending. Any mandatory requirements are highlighted in bold type.

1.2 This application embraces the valuation of real property interests and other types of tangible assets, e.g. plant and equipment, trade fixtures and equipment, etc.

2 Background

2.1 The following are the most common examples of security where a valuer's advice is likely to be sought:

(a) property that is, or will be, owner-occupied
(b) property that is, or will be, held as an investment
(c) property that is fully equipped as a trading entity and valued with regard to trading potential and
(d) property that is, or is intended to be, the subject of development or refurbishment.

Each of the above examples is discussed further in paragraph 6.2 of this application.

2.2 This application deals with the following matters that are specific to valuation for secured lending:

• taking instructions and disclosures
• objectivity and conflicts of interest
• basis of value and special assumptions and
• reporting and disclosures.

2.3 There is a wide variety of assets offered as security and a range of lending products available, and so each case will require a slightly different approach. It is therefore up to the valuer and lender to agree variations, subject to PS 1 paragraph 4, Compliance with other valuation standards. The overriding objective is that the valuer should understand the lender's needs and objectives, including the terms of the loan being contemplated, and the lender should understand the advice that is given.

2.4 Where a finance insturtor has a valuation department that provides valuation advice as an internal value, PS 1 paragraph 6.2, Exception, recognises that it may
be regarded as an exception for valuing and reporting purposes. However, it is considered good practice to adopt the principles of Parts 3 and 4 of the standards and to follow the guidance in the applications (Part 6) where appropriate. If the valuation advice is intended to be provided to a third party then it ceases to be within an exception.

3 Objectivity and conflicts of Interest

3.1 Members shall at all times act with integrity, independence and objectivity and avoid conflicts of interest and any actions or situations that are inconsistent with their professional obligations. Members should also declare any potential conflicts of interest – personal or professional – to all relevant parties (see PS 2 paragraph 4, Independence, objectivity and conflict of Interest).

3.2 Values who comply with the provisions for independence and objectivity under PS 2 paragraph 4, Independence, objectivity and conflict of interest, may confirm that they are acting as ‘independent valuers’.

3.3 The lender may specify additional criteria for independence for a valuation for secured lending. In the absence of any specific requirement, the additional criteria shall be deemed to include a stipulation that the valuer has had no previous, current or anticipated involvement with the borrower, or prospective borrower, the asset to be valued or any other party connected with a transaction for which the lending is required. ‘Previous involvement’ would normally be anything within the period of 24 months preceding the date of instruction or date of agreement of the terms of engagement (whichever is earlier), but a specific longer period may be prescribed or adopted in individual jurisdictions.

3.4 In accordance with IVS 310 paragraph 2 Scope of Work (IVS 101), any previous or current involvement with the borrower or the property or asset to be valued must be disclosed to the lender. Disclosure should also extend to any anticipated future involvement. (References to ‘borrower’ include a prospective borrower or any other party connected with the transaction for which the lending is required.) Examples of such involvement that may result in a conflict of interest include situations where the valuer or firm:

- has a long standing professional relationship with the borrower or the owner of the property or asset
- is introducing the transaction to the lender or the borrower, for which a fee is payable to the valuer or firm
- has a financial interest in the asset or in the borrower
- is acting as the owner of the property or asset in a related transaction
- is acting (or has acted) for the borrower on the purchase of the property or asset
- is referred to act in the disposal or letting of a completed development on the subject property or asset
- has recently acted in a market transaction involving the property or asset
- has provided fee earning professional advice on the property or asset to current or previous owners or their lenders and/or
- is providing development consultancy for the current or previous owners.
3.6 The valuer must consider whether any previous, current or anticipated involvement with either the property or asset or related parties is sufficient to create a conflict with the valuer's duty to be independent and objective. Matters such as the quantum of any financial interest or a connected party, the scope for the valuer or firm to benefit materially from a particular valuation outcome and the level of fees earned from any connected party as a proportion of total fee income may all be material.

3.7 If the valuer considers that any involvement creates an unavoidable conflict with his or her duty to the potential client, the instruction should be declined.

3.8 Although a valuer may take into account the views of the prospective client in deciding whether a recent, current or anticipated involvement creates a conflict, it remains the valuer’s professional responsibility to decide whether or not to accept the instruction having regard to the principles of the RICS Rules of Conduct. If the instruction is accepted where material involvement has been disclosed, the valuer may be required to justify this decision to RICS. If a satisfactory justification is not provided, RICS may take disciplinary measures.

3.9 General guidance on conflicts of interest can be found in PS 2 paragraph 4, Independence, objectivity and conflict of interest.

4. Taking instructions and disclosures

4.1 IVS 310 paragraphs 2–5 cover the scope of work as defined in IVS 101 Scope of Work. Valuers are reminded that the terms of engagement must incorporate the terms requiring the minimum terms of engagement. Where the lender has additional or more demanding requirements, they will need to be confirmed and particular care must be taken to agree and record any special assumptions that have to be made.

4.2 In some circumstances a valuation for secured lending may be commissioned by a party that is not the intended lender, for example, a prospective borrower or broker. If the party does not know, or is unwilling to disclose, the identity of the intended lender, it must be stated in the terms of engagement that the valuation may not be acceptable to a lender. This may be because some lenders do not accept that a valuation procured by a borrower or an agent is sufficiently independent, or because that particular lender has specific reporting requirements.

4.3 The valuer should enquire if there has been a recent transaction or a previously agreed price on any of the properties to be valued. If such information is revealed, further enquiries should be made, for example, the extent to which the property was marketed, the effect of any incentives, the price realised or agreed and whether it was the best price obtainable.

4.4 The valuer should request details of the terms of the lending facilities being contemplated by the lender.
4.5 The valuer must ensure that all the relevant disclosures required by the
instructions, in compliance with VPS 1 paragraph 2, Minimum terms of
engagement and paragraph 6 below, are made.

5 Basis of value and special assumptions

5.1 Market value is the appropriate basis of value that should be used for all
valuations or appraisals undertaken for secured lending.

5.2 Any special assumptions (see VPS 4 paragraph 3 Special assumptions)
made in arriving at the market value must be agreed in writing with the lender
in advance and referred to in the report.

5.3 Circumstances that often arise in valuations for secured lending where special
assumptions may be appropriate include, for example:

- Planning consent has been granted for development at the property
- There has been a physical change to the property, such as new construction or
  refurbishment
- A new letting on given terms, or the settlement of a rent review at a specific
  rent, has been completed
- There is a special purchaser, which may include the borrower
- A constraint that could prevent the property being either brought or adequately
  expanded to the market is to be ignored
- A new economic or environmental designation has taken effect
- Any unusual volatility in the market at the valuation date is to be discounted and
- Any lease or leases between connected parties has been disregarded.

This list is not exhaustive, and the appropriate special assumptions will depend on
the circumstances under which the valuation is requested and the nature of the
property to be valued.

5.4 As more special assumptions may qualify the application of market value, any
valuation for secured lending purposes arrived at by taking a special assumption
must be accompanied by a comment on any material difference between the market
value with and without that special assumption. See IVS 310 paragraph 7(e)
Reporting (IVS 103 Reporting) for additional requirements.

6 Reporting and disclosures

6.1 In addition to the matters set out in VPS 3 paragraph 7, Report content, the
report must include the following:

- Disclosure of any involvements (see paragraph 4 of this application, Taking
  instructions and disclosures) identified in the original or subsequent amendment
to, the terms of engagement, or any arrangements agreed for avoiding a conflict
of interest. If the valuer has had no involvement, a statement to that effect is to
be made.
the valuation methodology adopted, supported (where appropriate or requested) with the calculation used.

- where a recent transaction on the property has occurred or a previously agreed price has been disclosed, the extent to which that information has been accepted as evidence of market value. Where the enquiry does not reveal any information, the valuer will include a statement to that effect in the report, accompanied by a request that if such information comes to light before the report is finalised, the matter must be referred back to the valuer for further consideration.

- comment on the suitably of the property as a security for mortgage purposes bearing in mind the length and terms of the loan being contemplated. Where the terms are not known, the comment should be restricted to the general marketability of the property accompanied by a statement to the effect that the valuer reserves the right to review the comment when the terms of the loan are known.

- any circumstances of which the valuer is aware that could affect the price. Those must also be drawn to the attention of the lender, and an indication of their effect must be provided.

- any other factor that potentially conflicts with the definition of market value or its underlying assumptions. As set out in the supporting commentary in VPS 4 paragraph 2, Assumptions, this must be noted and its effect explained.

6.2 The following paragraphs indicate matters that it may be appropriate to include when valuing different categories of property, as listed in paragraph 2.1, Background, of this application.

a) Property that is, or will be, owner-occupied

1 Typical special assumptions that may arise when valuing this category of property include:

- planning consent has been, or will be, granted for development, including a change of use of the property
- a building or other proposed development has been completed in accordance with a defined planning specification
- all necessary licences are in place
- the property has been changed in a satisfactory way (for example, removal of equipment or fixtures) and
- the property is vacant when, in reality, at the valuation date it is occupied.

b) Property that is, or will be, held as an investment

1 Additional report contents include:

- a summary of occupational leases, indicating whether the leases have been read or not, and the source of any information relied on
- a statement of, and commentary on, current rental income, and comparator with current market rental value. Where the property comprises a number of different units that can be individually, separate information should be provided on each.
an assumption as to covenant strength where there is no information readily available or comment on the market's view of the quality, suitability and strength of the tenant's covenant

- comment on sustainability of income over the life of the loan, with particular reference to lease breaks or determinations and anticipated market trends and
- comment on any potential for redevelopment or refurbishment at the end of the occupational lease(s)

2 Typical special assumptions that may arise in valuing this category of property include whether:

- a different rent has been agreed or determined, for example, after a rent review
- any existing leases have been determined, and the property is vacant and to let or
- a proposed lease on specified terms has been completed.

c) Property that is fully equipped as a trading entity and valued with regard to trading potential

1 The closure of the business could have a significant impact on the market value. The valuer should therefore report on this impact, either individually or as a combination of one or more of the following special assumptions:

- the business has been closed and the property is vacant
- the stock inventory has been depleted or removed
- the licences, consents, certificates and/or permits have been lost or are in jeopardy and/or
- accounts and records of trade are not available to a prospective purchaser.

2 Typical special assumptions that may arise in valuing this category of property include:

- assumptions made on the trading performance and
- projections of trading performance that materially differ from current market expectations.

d) Property that is, or is intended to be, the subject of development or refurbishment

1 Additional report contents include:

- comment on costs and contract procurement
- comment on the viability of the proposed project
- if the valuation is based on a residual method, an illustration of the sensitivity of the valuation to any assumptions made
- the implications on value of any cost overruns or contract delays and
- comment on the anticipated length of time the redevelopment or refurbishment will take, as this may affect the current value due to inconvenience and/or temporary lack of utility.
2 Typical special assumptions that may arise in valuing this category of property include whether:
   • the works described had been completed in a good and workmanlike manner, in accordance with all appropriate statutory requirements
   • the completed development had been let, or sold, or defined terms or
   • a prior agreed sale or letting has failed to complete.

3 Where a valuation is required on the special assumption that the work has been completed as of a future date, the value reported should be based on current market conditions. If a valuation is required on the special assumption that the work has been completed as of a future date and the valuation date is as of that future date, the valuer is required to develop and report the valuation opinion in accordance with VPS 1 paragraph 9(f), Valuation date, VPS 3 paragraph 7(f), Valuation date, and VPS 4 paragraph 6, Special assumptions related to projected values.

5.3 It's good practice to attach any instruction letter and the terms of engagement to the report and refer to these documents in the body of the report.
３．オーストラリア

（１）専門家の独立性（ASIC）

Independence of experts

| 作成目的・背景 | 独立性が損なわれた専門家の報告書を基に、証券保有者が誤った判断に陥ることを防ぐために、専門家の独立性に関する重要性を示している。 |
| 構成・概要 | ASIC（Australian Securities and Investment Commission、オーストラリア証券及び投資委員会）とは、オーストラリアの企業、市場、金融を取り締まる役割を担う独立した政府機関である。ASICは、2001年ASIC法により設立され、同年制定のCorporations Act（企業法）に基づき運営されている。オーストラリア金融の公正性と透明性の確保が目的とされていることから、証券保有者の判断に影響を与える専門家に関する規定が含まれている。 |
| 本文に関連する条文・記述 | 純正な意見（Genuine opinion）に関する一項目（RG112.19）として、専門家が専門的な報告書に記載した内容と異なる意見を示した場合、誤った又は人を欺く行動を取っていると見なされるとされ、それは不動産鑑定評価にも当てはまると指摘されている。 |
REGULATORY GUIDE 112

Independence of experts

March 2015

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It explains how ASIC interprets the requirement that an expert is independent of the party that commissioned the expert report (commissioning party) and other interested parties.

An interested party is a person with a real, direct, or pecuniary interest in the outcome of the transaction different from the interest of the general body of security holders.
About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents:

Consultation papers seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guidance: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued on 30 March 2011 and is based on legislation and regulations as at 30 March 2011.

Previous versions:
- Superseded Regulatory Guide 112 issued 30 October 2007

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you. As it is your responsibility to determine your obligations.

Examples in this guide are purely illustrative; they are not exhaustive and are not intended to impose or imply particular rules or requirements.
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A Overview

Key points
This guide gives ASIC's view on:

- the need for an expert to be independent (see Section B);
- how previous and existing relationships with commissioning and other interested parties may affect the independence of an expert (see Section C);
- how an expert should deal with commissioning parties and other interested parties to maintain its independence (see Section D); and
- when and how an expert should use a specialist when preparing an expert report (see Section E).

Reports covered by this guide

RG 112.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 5A of the Corporations Act 2001 (Corporations Act), whether the reports are required in the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geological reports or traffic forecast reports (see Section E) for inclusion in Ch 6D disclosure documents and Ch 7 Product Disclosure Statements (PDSs).

RG 112.2 We consider that security holders regard an expert report as being prepared by an independent expert irrespective of whether the report has been prepared voluntarily or because it is required under statute.

RG 112.3 This approach is consistent with the obligations on the holder of an Australian financial services licence (AFS licence) to manage conflicts of interest. An AFS licence holder's obligation to manage conflicts of interest applies to all of its activities as an AFS licence holder, as such, an expert who holds an AFS licence needs to manage conflicts of interest in respect of all expert reports it prepares.

RG 112.4 This guide does not apply to independent or investigating accountant reports.

Underlying principles

RG 112.5 An expert report that is biased frustrates rather than assists informed decision making. Security holders will assume that an expert report is an independent opinion and will be misled if the opinion is not.
Breaking J described the role of an expert in *Phosphate Cooperative v Shears (No 3) (1988) 14 ACLR 323* (Phos) at 329 in the following terms:

'Those who prepare experts' reports in company cases carry a heavy moral responsibility, whatever their legal duties may be. These reports are either required by the [Corporations Act] or provided by way of analogy with these requirements. In either case, they are supposed to be for the protection of individuals who are being invited to enter into some kind of transaction. In less high [independence] standards are observed by those who prepare these reports, there is a danger that systems established for the protection of the investing public will, in fact, operate to their detriment through reliance on these reports and on the reputations of those whose names are given. In lending his name the expert will often, as in this case, be lending his name to concur with ... The expert's integrity and freedom from benefit influences are essential.

The Corporations Act indicates the need for an expert to be independent:

(i) an expert must not be associated with certain interested parties, and must disclose certain interests and relationships, when preparing reports required by the Corporations Act for:

(a) a takeover bid under Ch 6 (s648A);

(b) a scheme of arrangement (reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations));

and

(c) a compulsory acquisition or buy-out under Ch 6A (s667D); and

(ii) as an AFS licensee, an expert needs to establish and maintain systems to comply with its obligations to manage conflicts of interest.
B  Expert needs to be independent

**Key Points**

An expert should be, and should appear to be, independent: see RG 12B RG 12B.15.

An expert should not give an opinion that is genuinely open to no view: see RG 112 16-RG 112.20.

**Independence**

RG 112.8 The Corporations Act contains indicators that an expert must be, and must appear to be, independent in the provisions requiring an expert report for certain takeover bids, schemes of arrangement, for any compulsory acquisition, and in the AFS licensee conflicts of interest provisions.

RG 112.9 The need for an expert to be, and to appear to be, independent is also indicated in case law establishing that the independence of an expert is critical for the protection of security holders. Mulvane observed in *Buck Group v Primer* (1588) 27 AC 1 at 268:

It may be seen that a true state of independence on the part of the expert is essential to the validity of the [takeover] process and for the protection of the public generally and the company and its members in particular.

RG 112.10 We will consider regulatory action if we have concerns about the independence of an expert, see Regulatory Guide 111 Conflict of Interest reports (RG 111) at RG 111.128 RG 111.130.

Note: In addition to the terms “independence”, language also used by the courts, our policies and our members include “impartiality”, “indemnity”, “objective”, “undertaking”, “impartial, unqualified opinion”, “true, fair and honest”. It is critical that an expert report is done in an independent capacity.

**AFS licensee obligations to manage conflicts**

RG 12.1 An expert report typically includes a statement of opinion or recommendation intended to influence investors in making a decision on a financial product: s766B(1). This means the expert report usually constitutes financial product advice, triggering the need for an AFS licence: ss76A and 911A(1).

Accordingly, in most cases, an expert who prepares an independent expert report that will be made available to retail investors will hold an AFS licence.
Under s912A(1)(aa), an AFS licence holder have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken ... in the provision of financial services as part of the financial services business of the licence or the representative ...

RG 12.14 This conflicts management obligation applies irrespective of:

(a) whether the expert states that it is independent of the commissioning party,

(b) any requirement that the expert not be an associate of the commissioning party or any other interested party to a transaction (e.g. s611A); or

(c) where the expert report has been prepared to meet a statutory obligation.

RG 12.14 Whether an expert's conflict management arrangements (i.e. measures, processes and procedures) are adequate will depend on the nature, scale and complexity of the expert's business and the circumstances of the expert's engagement. The expert should document its conflicts management policies and procedures. The expert should keep records demonstrating how it has complied with those procedures. General guidance on these obligations is provided in Regulatory Guide 181: Licensing: Managing conflicts of interest (RG 181) at RG 181.10–RG 181.11.

RG 12.15 Expert reports are exempt from the licensing regime (Reg 7.6.01(1)(i)) when the advice is an opinion on matters other than financial products (e.g. a geologist report) and

(a) it does not include advice on a financial product,

(b) the document includes a statement that the person is not operating under an AFS licence when giving the advice; and

(c) the expert discloses remuneration, interests and relationships.

Genuine opinion

RG 12.16 The courts have required the opinion of an expert to be genuine and a product of the expert's professional judgment. An expert's opinion that is tailored to support the views of the commissioning party or any other interested party is not a genuine opinion. It may also be misleading or deceptive.

RG 12.15 A court found that a commissioning party's active role in shaping an expert report led to the expert not being in the position of "purely exercised judgment" by the expert "unintentioned by pressure brought to bear by or on behalf of the commissioning party" and was not a genuine expression of opinion ... but was, in fact, an "involuntary expression of a desired result". Pilgrim at 510 and 512 per Brennan J.
RG 112.14 An expert is subject to statutory obligations to avoid making misleading or deceptive statements and engaging in misleading or deceptive conduct.

Note: See, for example, s412 [8], 67BA[1][8], 1011E, 1011F and 1611H(1) and s12DA of the Australian Securities and Investments Commission Act 2001 (ASIC Act).

RG 112.19 An expert has been found to have engaged in misleading or deceptive conduct when the expert did not hold the opinions expressed in the expert report: McGilvry v Kennedy & Goodhew [6] 147 ALR 313 at 356-357 (a case involving property valuation).

RG 112.20 Similarly in Rees v ACF [7] 275 ALR 216 (2003) 65 AC 85 67 at 92-93, the court held that the expert report was misleading and deceptive in circumstances where 'there was no reasonable basis for the [expert's] statement in the report' and the expert 'did not hold the opinion it expressed'. The court held that the expert should have disclosed that it disagreed with the methodology used by a promoter in its forecasts and disclosed the methodology that the expert in fact used.
C Relationship between the expert and the commissioning party

Key points

An expert should identify relationships and interests that may affect or may be perceived to affect, the expert's ability to prepare an independent report: see RG 112.21-RG 112.24.

The expert should then consider whether on the basis of that relationship or interest:
- it should decline the engagement (see RG 112.25-RG 112.27); or
- the relationship or interest can be adequately dealt with by way of disclosure in the expert report (see RO 112.28-RG 112.37).

The expert may also need to take other actions to manage a conflict of interest: see RG 112.38.

Before engaging an expert, a commissioning party should be satisfied that the expert is independent and has sufficient expertise and experience to provide a thorough report: see RG 112.39-RG 112.41.

Identifying relationships

RG 112.21 Previous and existing relationships may threaten, or appear to threaten, the independence of an expert. The objectivity of an expert may also be compromised, or called into question, if the expert has an interest in the outcome of the transaction that is the subject of its report.

RG 112.22 The closer the relationship between the expert and a commissioning party or any other interested party, the greater the onus on the expert to demonstrate the absence of bias.

RG 112.23 In identifying relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report, the expert should not only identify relationships with, and interests of, the expert but also of:
- the expert's associates;
- those directors and senior employees who are principally responsible for preparing and issuing the expert report; and
- the spouse, children and associates of the directors and senior employees who are principally responsible for preparing and issuing the expert report.

RG 112.24 The need to undertake this identification process also arises from the obligation to manage conflicts of interest if the expert is an APS licensee.
Declining the engagement

RG 112.5 An expert should seriously consider declining an engagement when:

(a) a person who is involved in preparing the expert report is an officer of the
commissioning party or an interested party;

(b) the expert, a director or a senior employee who is involved in preparing
the expert report has a substantial interest in, or is a substantial creditor
of the commissioning party or has other material financial interests in
the relevant transaction;

(c) the expert has participated in strategic planning work for the
commissioning party as a lawyer, financial consultant, tax adviser or
accountant, whether in connection with the relevant transaction or
generally (e.g., advising on possible takeovers or takeover defences); or

(d) the expert has acted as a lawyer, financial consultant, tax adviser or
accountant to the commissioning party (other than providing
professional services strictly for compliance purposes rather than
strategic operational decisions or planning).

RG 112.7 The Corporations Act specifically states that an expert must decline an
engagement for the preparation of an expert report in each of the following
circumstances:

(a) when the report is to be cited or included in a target statement if the
expert is an "associate" (as defined in s12) of the bidder or the target and
the bidder has 30% or more of the voting power in the target entity or
there are common directors of the target and the bidder (s640 and
648A(3));

(b) when the report is to be cited or included in a bidder's statement if the
expert is an "associate" (as defined in s12) of the bidder or the target and
the consideration for a pre-bid stake acquired in a target was unquoted
securities (s676A(1)(ii)(ii), 636(1) and 648A(3));

(c) when the report is to be cited or included in the explanatory statement
for a scheme of arrangement if the expert is an "associate" (as defined in
s12) of the parties to the scheme or the other party to a reconstruction in
a scheme of arrangement has at least 30% of the voting shares of the
scheme company or there are common directors (s 5.1(4)(b) and
Sch 8, cls 8303 and 8306 of the Corporations Regulations); and

(d) if the expert is an "associate" (as defined in s12) of the person issuing a
compulsory acquisition or buy-out notice (s639, 644E, 644F and
673B).
independence cannot be adequately managed through disclosure or internal controls. The only way an expert can adequately manage these threats is to avoid them and the expert's conflicts management policies and procedures should give specific guidance on circumstances when it should decline engagements; see RG 181.45, RG 18.45 and RG 181.60.

Disclosing relationships and interests

Requirement

RG 112.28 As security holders rely on an expert report, they should be clearly informed about any relationships or interests (including financial or other interests) that could reasonably be regarded as relevant to the independence of the expert. This requirement derives from the Corporations Act and case law; see ANZ Nominees v Howden (1986) 13 ACLR 696 at 707.

RG 112.39 Disclosure of relationships or interests is required under the Corporations Act for an expert report when the report is required to be included in:
(a) a target statement, when the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s648A(2));
(b) a bidder's statement, when the consideration for a pre-bid stake acquired in a target is unquoted securities (s648A(3)); and
(c) a compulsory acquisition or buy-out notice (s667B(2)).

RG 112.40 Similarly, as an ATs licensee, an expert needs to make appropriate disclosure of conflicts of interest to commissioning parties and to future relying on the report as part of the conflicts management obligations; see RG 18.49 RG 181.63.

Content of disclosure

RG 112.31 An expert should prominently disclose in the report:
(a) the business or professional relationships with a commissioning party or any other interested party;
(b) any financial or other interest that could reasonably be regarded as capable of affecting the expert's ability to give an unbiased opinion on the matter being retained on, and
(c) any fee or benefit (whether direct or indirect) to be reserved in connection with the report (s648A(2) and S67B(2)).

RG 112.42 If an expert has, within the previous two years, valued assets representing more than a de minimis (i.e. trivial) proportion by value of the users has
has been engaged to value for the commissioning party, this should also be
prominently disclosed in the report.

Note: Disclosure is also required by RG 112.31 if the expert was previously engaged to
value the relevant asset by the commissioning party or any other interested party.

RG 112.23
These disclosures should be made in all expert reports irrespective of
whether the report is required to be prepared by the Corporations Act or is
voluntarily commissioned and supplied to security holders.

RG 112.24
These disclosures should relate to relationships existing at the
time of preparation of the report or existing in the previous two years. This
two year period is a minimum period for disclosure and earlier relationships
might be so significant that they warrant disclosure as well.

Note: e.g. Board, Group or Firm. Multi-member referred to this benchmark with approval
for 258.

RG 112.25
Disclosure should be timely, prominent, specific and meaningful. An expert
should not use "boilerplate" disclosures (e.g. that the expert has been paid "a
normal professional rate"). An actual amount should be shown for fees paid
to an expert for the report.

RG 112.26
When an expert report is cited or included in a bidder's statement in which
any securities in the bidder (or a person who controls the bidder) are offered
as consideration under the bid, these disclosures must also state the specific
disclosure obligations that apply to prospectuses under ss111(2)-(4),
including:
(a) any interests that the expert has in the bidder and
(b) any fees or benefits given or agreed for the expert's services (s636(1)(g)).

RG 112.27
An expert report will usually constitute financial services advice. An
expert will need to give "full" investors a Financial Services Guide (FSG).
We have given relief to allow an expert to include a FSG as a separate and
dividible identifiable part of an expert report: see Class Order [CO 04/1872]
Secondary Services: Financial Services Guide relief for experts. In view of
this relief, we consider that an expert should include a full disclosure of
interest in the FSG rather than duplicating that disclosure in another part of the expert report.

Other measures

RG 112.28
In addition to disclosing any conflict of interest, an expert will need to
consider whether other measures to properly manage the conflict of interest
are appropriate (e.g. ensure a sufficient information barrier): see RG 181.35-
RG 181.57.
Commissioning an expert

In commissioning an expert, a commissioning party should consider whether the expert is independent and whether the expert has sufficient expertise and resources to give a thorough opinion on the proposed transaction. The quality of an expert report may be affected if this is not the case. If an expert considers that it is not independent or does not have sufficient expertise or resources to give a thorough opinion, it should decline the engagement.

In selecting an appropriate expert, we consider that relevant factors are likely to include:

(i) whether the expert has adequate resources (which may include access to appropriate third party specialists) to perform the necessary work;
(ii) the qualifications of the expert and whether the expert has the requisite level of technical expertise (including whether the expert meets the requirements of any relevant industry codes);
(iii) the experience of the expert. For example, a commissioning party may ask what comparable transactions the expert has given an opinion on and whether that experience is relevant to the current transaction;
(iv) whether the expert can meet the timeframe required for the report to be produced; and
(v) whether there are any independence issues.

While a commissioning party should satisfy itself that an expert is competent, it should ensure that any pre-engagement discussions do not compromise the expert's independence. For example, these discussions should not deal with how the expert proposes to evaluate the terms of the transaction; see RG 112.66 RG 112.48.
D  Expert's conduct in preparing its report

Key points

An expert should:

1. obtain written terms of engagement from the commissioning party before commencing work;
2. take care to avoid any conflict of interest with the commissioning party or any other interested party that may undermine or appear to undermine independence; and
3. consent to the use or incorporation of its report.

Commissioning parties should also ensure not to release the conclusions of an expert report in advance of the final report.

Interactions with commissioning party

Terms of engagement

RG 113.47  Before commencing work, an expert should obtain written terms of engagement from the commissioning party that:
(a) set out the scope and purpose of the report;
(b) set out the facts of the proposal and relevant data;
(c) recognise the expert's right to refuse to give an opinion or report at all if it is not given the information and explanation it requires to prepare the report;
(d) give the expert the same access to the commissioning party's records as the auditor of the commissioning party; and
(e) set out the fee.

Approval of appointment

RG 113.49  It is possible that some directors of a commissioning party may have a conflict of interest in the proposed transaction, such as board directorships held in the target and the bidder. In these circumstances, the expert and commissioning party should ensure that the directors without a conflict of interest select and engage the expert.

RG 112.44  The commissioning party should ensure that the method by which an expert is appointed, and the scope of its engagement, is consistent with the concept of independence and perceived independence of the expert. For example, it may be appropriate to have a non-executive director oversee the appointment process if management is likely to be perceived to have a strong interest in the outcome of the expert report.
**Expert's fee**

RG112.15 We will consider that an expert is not independent if the amount it is to receive for the expert report depends in any way on the outcome of the transaction to which the report relates. This is consistent with the requirement that a person who provides financial services must not hold itself out as 'independent', 'impartial' or unbiased if it is paid success fees or has a conflict of interest arising from a relationship with an issuer of financial products that might reasonably be expected to influence the report: s923A.

**Manner of communication**

RG112.46 Ensuring security holders receive an objective expression of opinion in an expert report involves more than identifying and dealing with previous or existing relationships or interests. An expert's objectivity, or the appearance of objectivity, may be undermined by the interactions between the expert and the commissioning and other interested parties.

4G112.47 We are likely to view the following interactions as indicators of a lack of independence:

(a) the commissioning party having selected another expert after the expert disclosed its likely approach to evaluating the proposal;

(b) an expert attending discussions on the development of the transaction and the merits of the transaction or an arrangement to be adopted by the commissioning party;

(c) an expert taking instructions from, or holding discussions with, a commissioning party, its advisors or any interested party on the choice of methodologies for the report or evaluation of the transaction (including the underlying assumptions or reasoning), although the expert may interrogate those parties for the purpose of the expert's own analysis;

(d) an expert acting on behalf of a commissioning party, its advisors or any interested party, with analysis of the transaction, although the expert may interrogate those parties for the purpose of the expert's own analysis;

(e) the expert discussing preliminary views or findings with the commissioning party or any other interested party;

(f) the expert entering into a success fee arrangement with the commissioning party or any other interested party;

(g) the expert discussing future business relationships with the commissioning party or any other interested party before finalising the report. This includes remaining from cease-selling other services of the expert; and

(h) the expert changing its opinion at the suggestion of the commissioning party or any other interested party without adequate explanation: see RG 112.16 RG 112.57.
We expect that an expert who is an AFS licensee will include in its internal policies and procedures guidelines to address
(a) communications and interactions with the commissioning party and any other interested party during the commissioning of the expert and the preparation of the report;
(b) remuneration arrangements; and
(c) supervision of the preparation of the report.

Preparing the report

Access to Information

RG 112.49 The expert, not the commissioning party, should determine what information will be required for the report. The commissioning party should give the expert all the information it is aware of about the subject of the expert report, in sufficient detail to enable the expert to determine its relevance.

RG 112.50 If the expert is not given access to the records it requires, or is given an unduly short time to complete the report (relative to any applicable statutory time constraints), it should consider refusing to prepare a report at all. An expert should not prepare an unsatisfactory report and attempt to deal with deficiencies in the report by disclaiming responsibility.

Communication

RG 112.51 An expert and its commissioning party may communicate and meet with each other during the preparation of the expert report for the expert to:
(a) discuss the progress of the report;
(b) gain access to information;
(c) ascertain matters of fact or to correct factual errors (Re Althorpe (1995) 26 ACSR 268 at 288), and
(d) interrogate the commissioning party or another interested party for the purposes of its own analysis.

RG 112.52 To help maintain independence and negate any inference of bias, we consider that an expert should direct and lead all meetings and discussions with the commissioning party, its advisers and any other interested party. The expert should keep appropriate files and notes of discussions and retain copies of documents worked on in discussions with the commissioning party, its advisers and any other interested party.

RG 112.53 Brookman in Pirot at 339 summarised this issue in the following terms:
'The guiding principle must be that care should be taken to avoid any communication which may undermine, or appear to undermine, the independence of the expert.'
Drafts of reports

RG 112.51 An expert may give draft copies of parts of its report to a commissioning party or its advisers for factual checking before delivery of a full draft copy of the report. These early drafts should not contain the expert’s analysis of the transaction, the merits of a transaction or the methodologies employed. Proof at 339

RG 112.54 The expert should only provide a full draft copy of the report to the commissioning party for factual checking when the expert is reasonably assured that the conclusions in the report are unlikely to change.

RG 112.55 If a commissioning party or an adviser disagrees with the expert’s analysis in a draft of the expert report, the report should only be altered if the expert is persuaded that all or part of the expert’s assessment is based on an error of fact. We would expect an expert, in this situation, to independently reassess the whole or relevant part of the report based on its view of the revised facts.

RG 112.57 After a full draft copy of an expert report has been provided to a commissioning party or its advisers, any alteration of the report made at the suggestion of the commissioning party or its advisers that affects an expert’s analysis of the transaction or the expert’s conclusions should be clearly and prominently disclosed in the report. This disclosure should include an explanation of the changes, the reasons why the expert considered the changes appropriate and the significance of the changes to the expert’s opinion.

RG 112.58 Minor factual corrections made at the suggestion of the commissioning party or its advisers that are not material to the expert’s analysis, conclusions or opinion need not be disclosed in the report.

Use and distribution

RG 112.59 If a party commissions one or more reports, a copy of each report should be sent to security holders. This should be done regardless of whether more than one report is prepared by the same expert or by different experts. Proof at 339. It should also be done regardless of whether the commissioning party is obliged to do so under ss 54A(1).

RG 112.60 An expert should deliver its first signed report to the commissioning party even if the commissioning party requests otherwise (unless the transaction is discontinued or varied substantially).

RG 112.61 The directors of a commissioning party should not adopt or recommend that security holders accept the findings of an expert report without critically analyzing the report. The directors should satisfy themselves that the information relied on in the report is accurate and that the report has not omitted material information known to the directors but not given to the expert.
Release of conclusions of expert reports

RG 11.64
An expert report needs to contain sufficient information to assist security holders to make a decision, including providing details of the methodologies and material assumptions on which the report is based, together with any qualifications; see RG 11.64-RG 11.79. The directors of a commissioning party need to ensure that an expert report is not used or referred to in a way that may be misleading or deceptive.

RG 11.61
If a commissioning party releases the conclusions of an expert report in advance of the final report, this is likely to be misleading or deceptive, particularly if the final report contains any 'surprises' for a person who has only read the conclusions. Releasing conclusions without providing relevant supporting information may cause confusion or uncertainty since security holders and the market will not be able to determine whether these conclusions are reasonable.

Note. In the case of Transfield v. Ansett, the Takeovers Panel considered that it was potentially misleading to give the market an advance copy of the section of the expert's report that did not form the market without giving shareholders a copy of the report or the underlying assumptions and qualifications.

RG 11.64
Consequently, a commissioning party that releases the conclusions of an expert report in advance of the final report risks regulatory action for contravention of the misleading or deceptive conduct provisions or other regulatory action. For example, if a report is provided in relation to a bid, the commissioning party risks an application by us, or another party, to the Takeovers Panel for a declaration of unacceptable circumstances.

RG 11.65
There may be limited situations in which a commissioning party's continuous disclosure obligations will require disclosure of the conclusions of an expert report in advance of the final report (e.g. if confidentiality has been lost before the final report is ready for release to the market). Commissioning parties and experts should put in place processes that minimise the risk that preliminary disclosure will be required before the report has been finalised. If preliminary disclosure is required, commissioning parties should ensure that this is done in a way that is not misleading or confusing (e.g. by highlighting the limitations of the preliminary disclosure and providing all available material information about the report).

Consent of expert

RG 11.66
An expert report may only be incorporated or referred to in a holder's statement or licence holder's statement if the expert has consented to the use of the report in the form and context in which it appears in s636(1) and s638(1). Before consenting, the expert should consider whether the report has been accurately reproduced and used for the purpose for which it was commissioned. The expert should also consider the appropriateness, in all respects, of expressing implied representations about its report, the conclusions or recommendations; see Regulatory Guide 55 (Prospective and Past Consent to Quote) (RG 55), which also applies to the consent obligations in s636(3) and s638(5).
E Use of specialists

Key points

If an expert does not have the necessary specialist expertise on a matter that must be determined for the purposes of the report, it should retain an appropriate specialist for that matter who is independent of the commissioning party; see RG 112.67-112.70.

The specialist should report to the expert rather than the commissioning party; see RG 112.71-112.72.

The expert should ensure that the specialist has consented to the use of its report; see RG 112.73-112.77.

Engagement of specialists

RG 112.65 It is the expert's responsibility to:

(a) determine that a specialist's assistance is required on a matter that must be determined for the purposes of the report;

(b) select the specialist and ensure that the specialist is competent in the field;

(c) negotiate the scope and purpose of the specialist's work and ensure that this is clearly documented in an agreement (though the agreement may be with the commissioning party or the expert); and

(d) be satisfied that the specialist is independent of, and is perceived to be independent of, the commissioning party and any other interested parties.

RG 112.66 We consider best practice would be for the expert to pay the specialist's fees and recover those fees from the commissioning party.

RG 112.67 We would expect a specialist report to be specifically commissioned and prepared for the transaction the subject of the expert report. We would also expect the expert to make it clear to the specialist that the report is being commissioned for inclusion in the expert report. If the specialist report is not prepared specifically for the current transaction, this should be clearly explained to security holders. The Takeovers Panel in Re Great Allen Limited [2011] ALP 01 expressed the disclosure requirement in the following terms (35):

Wherever a report is reused in this way, however, shareholders should be advised of the purpose for which the report was prepared. It would be inappropriate to reuse a report in this way to satisfy a requirement for an independent expert's report and it may even be misleading to describe a report reused in this way as independent.

RG 112.73 While these comments were made in the context of an independent expert report, we consider they are equally applicable to the use of a specialist report.
Review of specialist report

RG 312.71 The expert should:

(a) critically review the specialist report, particularly to consider whether the specialist has used assumptions and methodologies which appear to be reasonable and has drawn on source data which appear to be appropriate in the circumstances;

(b) have reasonable grounds for believing the specialist report is not false or misleading;

(c) ensure the specialist signs its report and consents to its use in the form and manner in which it will be published;

(d) ensure that the specialist report is used in a way that will not be misleading or deceptive.

RG 312.72 A specialist report commissioned by the expert should be dated close enough to the date of the expert report to ensure that assumptions applied have not been overtaken by subsequent events.

Use of specialist report

RG 315.73 The expert should ensure that the specialist consents to the use of its report in
the form and on text in which it will be published. If the specialist does not take responsibility for, or authorise the use of, its report and the expert considers that the material the subject of the report needs to be included in the expert report, the expert must accept entire responsibility for the statements as the expert's own and, as such, must have reasonable grounds for believing the statements are not to be misleading or deceptive. This is consistent with our approach to directors assuming responsibility for statements in a prospectus or PDS that are not attributed to another person: see RG 55.11-RG 55.12.

RG 312.74 The expert should exercise its judgment to determine whether to include the specialist report in full or include a concise or short form version or cite or extract the specialist report.

RG 312.75 We encourage an expert to consider whether it is appropriate to have the specialist prepare a concise or short form specialist report for inclusion in the expert report with a longer specialist report available on request free of charge via its website online.

RG 312.76 An expert should only quote or cite the specialist's work in a way that is fair and representative. Otherwise the expert risks misleading security holders. If the full specialist report contains only "surprises" for the security holder who only reads the short form or concise report, this would indicate the short form specialist report was misleading.
In the situation where an expert has obtained more than one specialist report on the same matter, we consider that security holders will not be given all material information if the expert merely supplies abridged results of those reports, and states, without comment or analysis, the result is the sum of the values given in each of the specialist reports.
### Key terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFS licence</td>
<td>An Australian financial services licence under s913B of the Corporations Act that authorises a person to carry on a financial services business to provide financial services. Note: This is a definition contained in s761A of the Corporations Act.</td>
</tr>
<tr>
<td>AFS licensee</td>
<td>A person who holds an Australian financial services licence under s913B of the Corporations Act. Note: This is a definition contained in s761A of the Corporations Act.</td>
</tr>
<tr>
<td>ASC</td>
<td>Australian Securities and Investments Commission</td>
</tr>
<tr>
<td>ASIC Act</td>
<td>Australian Securities and Investments Commission Act 2001</td>
</tr>
<tr>
<td>[CO 04/577] for example</td>
<td>An ASIC class order (in the example numbered CO 04/577).</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>Corporations Act 2001, including regulations made for the purposes of the Act</td>
</tr>
<tr>
<td>Corporations Regulations</td>
<td>Corporations Regulations 2001</td>
</tr>
<tr>
<td>expert</td>
<td>&quot;The meaning given to that term in s93 of the Corporations Act.</td>
</tr>
<tr>
<td>Financial Services Guide (FSG)</td>
<td>A document that must be given to a retail client in relation to the provision of a financial service in accordance with Div 7 of Pt 7.7 of the Corporations Act. Note: See s77A of the Corporations Act.</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>A document that must be given to a retail client in relation to the offer or terms of a financial product in accordance with Div 7 of Pt 7.9 of the Corporations Act. Note: See s761A of the Corporations Act.</td>
</tr>
<tr>
<td>reg 5.101 for example</td>
<td>A regulation of the Corporations Regulations (in this example numbered 5.101).</td>
</tr>
<tr>
<td>RG 181 for example</td>
<td>An ASIC regulatory guide (in this example numbered 181).</td>
</tr>
<tr>
<td>ss 64A for example</td>
<td>A section of the Corporations Act (in this example, numbered 64A), unless otherwise stated.</td>
</tr>
<tr>
<td>Sch 4 for example</td>
<td>A schedule of the Corporations Act (in this example, numbered 4), unless otherwise specified.</td>
</tr>
</tbody>
</table>
Related Information

Headnotes

experts, expert reports, independence, genuine opinion, relationships or
interests, declining the engagement, disclosing relationships or interests,
contract of experts, use of specialists

Regulatory guides

RG 11 Disclosure documents and PLBs: Consent to queue
RG 11 Content of expert reports
RG 181 Licensing: Managing conflicts of interest

Class orders


Legislation

Corporations Act, Chs 2d, 6 and 6A, s12, 412(8), 538, 538A, 648A,
553B, 664C, 665B, 677B, 670A(1)(h), 714, 766A, 768R(1), 91"1A(1),
92A(1)(a), 041F, 1041F and 1041H, Corporations Regulations, regs
5.1.01 and 7.6.01(u), Sch 8, cl6 8303 and 8306

ASIC Act, s12DA

Cases

MV Nominees v Wormald (1988) 13 ACLR 698
Re Auran Energy Limited [2003] AIP 31
Lucks Group v Palmer (1998) 27 ACSR 1
Re Great Mines Limited [2004] ATP 01
Re Maritime (1998) 28 ACSR 968
McIntosh v Kenny & Good (1996) 140 ALR 313
Re Origin Energy Limited 02 [2008] AIP 23
Mosaicfe Co-operative Co of Aust Ltd v Shears & Anor (No 3) (1988) 14
ACLR 323
Reffler v AGT 975 419 226 (2003) 45 ACSR 67

Consultation papers and reports

CP 62 Better experts' reports

CP 143 Expert reports and independence of experts: Guidance to RG 111 and RG 112
RBP 23A Response to submissions on CP 143 Report experts and
independence of experts
（２）専門家の報告書の内容（ASIC）

| 作成目的・背景 | 証券保有者の取引の意思決定に役立つような専門家による報告書の内容と方法を示している。 |
| 構成・概要 | 専門家全般に関して、取引の分析、手法と想定条件、その他の主な要件が規定されている。 |
| 本文に関連する条文・記述 | 手法と想定条件 (Methodologies and assumptions) に関する項目 RG111.64～RG111.83 として、不動産評価に際して、異なる手法を使うことで、価格意見の信頼性に対するリスクを最小限に抑えること、評価額は合理的な想定条件に基づき、重要な想定条件は開示される必要性について指摘されている。 |
REGULATORY GUIDE 111

Content of expert reports

March 2011

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It provides guidance on the content of an expert report and how an expert can help security holders make informed decisions about transactions.
About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents:

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:
- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act);
- explaining how ASIC interprets the law;
- describing the principles underlying ASIC's approach;
- giving practical guidance (e.g., describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations);

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued on 30 March 2011 and is based on legislation and regulations as at 30 March 2011.

Previous versions:
- Superseded Regulatory Guide 11, Issued 20 October 2007

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.
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A Overview

Key points

This guide gives ASIC's views on how an expert can help security holders make informed decisions about transactions.

It gives guidance on how to draft an expert report that satisfies the requirements of the Corporations Act 2001 (Corporations Act).

This guide outlines our views on:

- how experts should analyse a proposed transaction (see Section B);
- the different valuation methodologies used by experts and the treatment of assumptions (see Section C);
- general requirements for all expert reports (see Section D); and
- the regulatory action we might take against an expert (see Section E).

Reports covered by this guide

RG 111.1 This guide focuses on reports prepared for transactions under Ch. 5, 6 and 9A of the Corporations Act, whether the reports are required by the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geological reports or traffic forecast reports for inclusion in Ch. 6D disclosure documents and Ch. 7 product disclosure statements.

RG 111.2 This guide does not apply to independent or investigating accountant reports.

RG 111.3 Examples of transactions for which entities are required to commission an independent expert report or may choose to do so voluntarily to assist security holders to make an informed choice are takeover bids, compulsory acquisitions and buy-outs, schemes of arrangement, related party transactions and capital reorganisations; see Table 1.

RG 111.4 Where the Corporations Act or Australian Securities Exchange Limited (ASX) Listing Rules require an entity to commission an independent expert report, it is generally to ensure that shareholders receive an independent analysis of transactions involving related parties or other persons of influence. For example, s.640 of the Corporations Act requires an independent expert report where the bidder has a 30% voting power in the target company or the bidder and target have common directors. It is important that an expert applies close scrutiny to a transaction involving a related party or other person of influence and critically analyses the information provided to it.
<table>
<thead>
<tr>
<th>Transaction</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takeover bids</td>
<td>The bidder must commission an independent expert report when the bidder's voting power in the target is at least 20% of the target or when the bidder and the target have common directors. Section 604A.</td>
</tr>
<tr>
<td>Schemes of arrangement</td>
<td>The scheme company must commission an independent expert report when the other party to the scheme holds at least 10% of the voting shares of the scheme company or an officer of the Corporation's directors. Section 603 and Schedule 2 to the Corporations Act 2001 (Corporations Regulation)</td>
</tr>
<tr>
<td>Compulsory acquisition offer or buyout</td>
<td>The bidder or the compulsory acquisition offer must commission an independent expert report under Section 604B, 604C, 605A and 605B.</td>
</tr>
<tr>
<td>Application approved by securityholders</td>
<td>An independent expert report must also be provided by the independent experts to satisfy the requirements of the shareholders. Section 611.</td>
</tr>
<tr>
<td>Effective capital reduction</td>
<td>An independent expert report must be provided by the administrators to satisfy the requirements of the creditors. Section 7(4).</td>
</tr>
<tr>
<td>Related party transactions</td>
<td>An independent expert report may be supplied to members as well as the material so that the members can decide. Sections 206, 210, 220 and 221.</td>
</tr>
<tr>
<td>Transactions with a person in a position of influence</td>
<td>A report must be provided by the independent experts. Section 10.12.</td>
</tr>
<tr>
<td>Demutualisation of financial institutions</td>
<td>An independent expert report must be provided by the independent experts. Section 10.12.3.</td>
</tr>
<tr>
<td>Buy backs</td>
<td>If a buy back is proposed to buy-backs a significant percentage of securities, the holders of that security may request an independent expert report on the fairness of the proposal. Section 10.12.4.</td>
</tr>
</tbody>
</table>
B Analysing a transaction

Key points

An expert should focus on the issues facing the security holders, for whom the report is being prepared, see RG 11.1.5-RG 111.7.

An expert should focus on the substance of the transaction rather than the legal mechanism used to achieve that purpose, see RG 11.1.6-RG 111.34.

Some transactions may require a different form of analysis, particularly:
• demergers and demutualisations (see RG 11.1.35-RG 11.40);
• approval of a sale of securities under item 7 of s611 (see RG 11.1.44-RG 111.48) and
• compulsory accumulations and buyouts (see RG 11.1.47-RG 111.51).

When assessing whether a related party transaction is ‘fair and reasonable’, an expert should consider the overall effect of the transaction, see RG 111.52-RG 111.63.

A recommended approach

In detailing the appropriate form of analysis for a report, an expert should bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction. An expert should focus on the purpose and outcome of the transaction, that is, the substance of the transaction, rather than the legal mechanism used to effect the transaction.

RG 111.6 The Corporations Act requires an expert to express the opinion using particular language depending on the type of transaction. For example:

(a) whether a takeover bid is ‘fair and reasonable’ under s640;

(b) whether a scheme of arrangement is in the ‘best interests of the members of the company’ under Sch 8, cl 8303 of the Corporations Regulations, and

(c) whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities under s667A(11).

RG 111.7 Neverthless, the form of analysis an expert uses to evaluate a transaction should address the issues faced by security holders. The rest of this section sets out our guidance on the form of analysis an expert should use for particular types of transactions.
Control transactions

RG 111.8 A control transaction, when a person acquires, or increases, a controlling stake in a company, can be achieved by any of a number of different legal mechanisms, including, for example:

(a) a takeover bid under Ch 6;
(b) a scheme of arrangement under Pt 5.1;
(c) approval of an issue of shares using item 7 of r 611; and
(d) a selective capital reduction or selective buy-back under Ch 21.

Note 1: Ch 6 contains listed managed investment schemes and listed bodies that are non-companies. For the purposes of this regulatory guide, references to a 'company' in the context of Ch 6 takeovers can be read as references to those bodies or schemes.

Note 2: Not all transactions under Pt 5.1 involve the issue of shares. For those transactions that do not involve the issue of shares, see RG 111.41-RG 111.16.

RG 111.9 It is important for an expert to focus on the substance of a control transaction, rather than the legal mechanism used to effect it.

Takeover bids

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s 640 establish two distinct criteria for an expert analysing a control transaction:

(a) is the offer 'fair'; and
(b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

(a) assuming a knowledgeable and willing, but not anxious, seller and a knowledgeable and willing, but not anxious, seller acting at arm's length;

Note: Any special value of the 'target' to a particular 'bidder' (e.g., synergies that are not attributable to other bidders) should not be taken into account under this comparision, even if the bidder RG 111.11(a).

(b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the price paid for all of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.
RG III.12 An offer is "reasonable" if it is fair, it might also be "reasonable" if, despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG III.13 When deciding whether an offer is reasonable, an expert might consider:
(a) the bidder's pre-existing voting power in securities in the target;
(b) other significant security holding blocks in the target;
(c) the liquidity of the market in the target's securities;
(d) taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
(e) any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc.
(f) the likely market price if the offer is unsuccessful; and
(g) the value to an alternative bidder and likelihood of an alternative offer being made.

RG III.14 For example, a bidder who controls a target and makes a takeover bid may offer a price which is "not fair" as it includes a minority discount. The offer price may, however, be greater than the price at which the securities were trading before the takeover bid was made. In such circumstances, it is appropriate for the expert to consider whether the market price may fall if the offer is unsuccessful (see RG II.13(c)). It would also be appropriate for the expert to consider the matters set out in RG III.12(a) and RG III.12(d) in assessing the likelihood that the bidder would increase its offer price, including to a price that an expert would consider to be "fair".

RG III.15 A bidder may also offer a price which is "not fair" where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g., an orderly realisation of the target's assets). Such an offer may nonetheless be reasonable if the alternative methods of remedying the financial distress are likely to be less attractive to security holders than a successful offer.

Note: For the avoidance of doubt, funding requirements for a target that is not financially viable may not be so properly assessed or taken into account when determining the fair value of the target. See "Corporate Finance (2011) A131". Such funding requirements will generally be relevant to determining the value of the target's securities as long as reasonable and willing, but not anxious, parties. These funding requirements will often be highly uncertain or otherwise infeasible (e.g., through a price but not equity). The expert may need to expressly determine to take funding requirements into account where appropriate (e.g., the discounted cash flow methodology).
RG III.16 An expert concluding that an offer is not fair, but reasonable, should clearly explain the meaning of this opinion, why the expert has reached this conclusion and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holder's decision making). Otherwise, depending on the circumstances, the report might be misleading or dispositive. In describing the factors that are relevant to a conclusion that an offer is reasonable, an expert should generally only include the factors that are material to this conclusion.

RG III.17 To the extent reasonably practicable, and where it can be done with sufficient precision to assist security holders, the expert should quantify the reasonableness factors it considers to be material. For example:

(a) if the expert comments that the share price may fall if the bid is unsuccessful, the expert should consider providing quantitative information such as the pre-announcement share price (or volume weighted average price) and the liquidity profile of the target's shares;

(b) if the bidder controls the target, the expert should consider quantifying the size of the minority discount.

Control transactions by way of a scheme of arrangement

RG III.18 Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Ch 6 takeover bid.

RG III.19 When an expert report is required in a scheme of arrangement involving a change of control, the expert is expected to apply the analysis and provide an opinion as to whether the proposal is 'fair and reasonable' as set out in RG III.10 RG III.17 as if:

(i) the 'bidder' was the 'other party'; and

(ii) the 'target' was the company that is the subject of the proposed scheme.

RG III.20 If an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

RG III.21 If an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid using the analysis described in RG III.10–RG III.17, it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'. The expert
should clearly say that the consideration is not equal to or greater than the value of the securities the subject of the scheme, but there are sufficient reasons for security holders to vote in favour of the scheme in the absence of a higher offer.

**RG III.22** If an expert concludes that a scheme proposal is "not fair and not reasonable", then the expert would conclude that the scheme is not in the best interests of the members of the company.

**RG III.23** Where a scheme of arrangement is used to acquire or increase a party's control, the report should address the interests of members who are bound to give up rights under the scheme. The expert should separately consider the interests of each class of those members under the scheme.

### Other control transactions

**RG III.24** An issue of shares by a company otherwise prohibited under 2006 may be approved under item 7 of 511 and the effect on the company's shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of 511 that are comparable to takeover bids under Ch 6 include:

(a) a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged businesses. The vendor could have achieved the same or a similar outcome by launching a serum takeover for the company, and

(b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a serum takeover bid for the company.

**RG III.25** If this is the case, an expert should apply the analysis outlined in RG II.10.1 RG III.17, that is, the transaction should be analysed as if it was a takeover bid under Ch 6. However, references to, for example, the "bidder" and the "target" should be taken to mean the "allottee" and "company", respectively.

**RG III.26** An issue of shares for cash may have other benefits that should be considered in deciding whether the transaction is reasonable. These benefits may include:

(i) the provision of new capital to exploit business opportunities;

(ii) a reduction in debt and interest payments; or

(iii) a needed injection of working capital.

**RG III.27** There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the settlement of the offer.
or increase an existing holding of 20% or more, but does not obtain a practical means of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this into account in assessing whether the issue price is 'reasonable' if it has assessed the issue price as being 'not fair' applying the test in RG 111.1.

RG 111.28 A transaction otherwise prohibited under s396 for which approval is sought under item 7 of s611 will not always involve the issue of shares. For the analysis of other transactions under item 7 of s611, see RG 111.41-RG 111.46.

RG 111.29 Similar considerations apply in relation to control transactions by way of a selective capital reduction or selective buy-back under Cl 21.

Assessing non-cash consideration in control transactions

RG 111.30 If the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target's securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares.

RG 111.31 The comparison should be made between the value of the securities being offered (assuming a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'.

RG 111.32 If the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:

(a) the depth of the market for those securities;

(b) the volatility of the market price; and

(c) whether or not the market value is likely to represent the value if the takeover bid is successful.
Demergers and demutualisations

Demergers and demutualisations might not involve:

(a) a change in the underlying economic interests of security holders;
(b) a change of control, or
(c) a selective transfer of different security holders.

In the absence of these factors, the issue of 'value' may be of secondary importance (particularly in demutualisations). The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. In some cases, it might still be appropriate to carry out a valuation. In a demerger, the expert may still choose to value the demerged businesses to test whether the value of the sum of the parts (the demerged entities) is greater or less than the whole (the existing entity). If the expert does not undertake such a valuation, to the extent reasonably practicable, and where it can be done with sufficient precision to assist security holders, the expert should quantify the advantages and disadvantages that it considers to be material. For example, the expert may comment on the likelihood of a 'market re-rating' by analysing the post-transaction performance of other demergers.

If the demerger or demutualisation involves a scheme of arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should say that the scheme is in the best interests of the members.

In a demerger, security holders will typically have to enhance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.
AG III.39 In a demutualisation, the advantages and disadvantages to be considered might include questions of unlocking value for members and greater management accountability as reasons to demutualise, as compared to the loss of the benefits of being a mutual organisation.

AG III.40 An expert might need to consider whether using the form of analysis described at RG III.10-RG III.17 is appropriate when convergents and demutualisations involve one or more of:
(a) a change in the underlying economic interests of security holders;
(b) a change of control; or
(c) selective treatment of different security holders.

Approval of a sale of securities under item 7 of s811

RG III.41 Approval for a sale of securities that would otherwise contravene s816 may be sought under item 7 of s811. Item 7 of s811 envisages that security holders not associated with such a transaction may approve it. In doing so, these security holders may be foregoing:
(a) the opportunity of receiving a takeover bid; and
(b) sharing in any premium for control.

RG III.42 The expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares approved under item 7 of s811, the expert should provide an opinion either:
(a) that the advantages of the proposal outweigh the disadvantages; or
(b) that the disadvantages of the proposal outweigh the advantages.

RG III.43 A specific issue the expert should determine is whether the vendor is to receive a premium for control.

RG III.44 The greater the control premium, the greater the advantages of the transaction to the non-associated holders would need to be to support a finding that the advantages of the proposal outweighed the disadvantages. These other advantages may come, for example, from a better long-term profit outlook as the incoming security holder offers superior management skills.

RG III.45 The expert should also inquire whether further transactions are planned between the entity, the vendor or any of their associates. If any are contemplated, the expert should determine whether those transactions would be on arm's-length basis. If not, an implication arises that they may compensate the vendor for a price that is too low.

RG III.46 An expert should also consider whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity.
Compulsory acquisitions and buy-outs

RG 117.47 Chapter 6A prescribes the steps an expert must take in reaching an opinion for compulsory acquisitions and buy-outs. Section 667A(1) requires an expert to:

(a) provide an opinion on whether the proposed terms in the buy-out or acquisition notice give a "fair value" for the securities; and

(b) set out the reasons for its opinion.

RG 117.48 To determine what is "fair value", s667C requires that an expert:

(a) first assess the value of the entity as a whole;

(b) then allocate that value among the classes of issued securities in the company taking into account the relative financial risk and the voting and distribution rights of the classes; and

(c) then allocate the value of each class pro-rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interests in that class).

RG 117.49 In determining the fair value for securities, an expert must also take into account the prices paid for securities in that class in the previous six months: s667C(2).

RG 117.50 The weight of judicial authority is that an expert should not reflect "special value" that might accrue to the acquirer (eg, Capricorn Diamonds Investments Pty Ltd v Corio (2002) 41 ACSR 376 at 381; Winquor Holdings Ltd v Austem Ndx Ltd [2005] VSCA 211 at [11]–[37]; Teh v Ranganu Cherubini (2002) 42 ACSR 354 at 356). In practice, the issue of "special value" might not be a critical issue. Special value might not be material once it has been allocated on a pro-rata to each security in the class, including the securities of the party seeking to make the compulsory acquisition. An expert should not add any premium for foreable investments: see Capricorn at 382.

Note: Similar considerations apply as to whether consideration is under a capital reduction to the company's shareholders as a whole: see s256D(1)(a) and Re Goldfields Builders, Winquor Holdings Ltd v Steel Bros & Kirkpatrick Ltd (2000) 34 ACSR 733 at 755.

RG 117.51 Our approach to nominating experts to provide valuations under Ch6A is set out in RG 159 at RG 159.10 ➔ RG 159.118.
Related party transactions

RG 111.22 Experts who are asked to prepare a report for the following transactions should comply with RG 111.51 RG 11.63

(a) a transaction with a related party that requires the member approval under Ch 2E (including as modified by Pt 5C.7 for registered managed investment schemes); or

(b) a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.

RG 11.63 When analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.

RG 111.54 Where the related party transaction is one component of a broader transaction or a series of transactions involving non-related parties (such as a control transaction), the expert should carefully consider what level of analysis of the related party aspect is required; see also RG 111.4. In this consideration, the expert should have in mind whether the report has been submitted to ensure that members are provided with sufficient information to decide whether to approve giving a financial benefit to the related party as well as the broader transaction.

‘Fair’ and ‘reasonable’ test

RG 111.23 Generally, ASX expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is ‘fair and reasonable’ from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.

RG 111.56 Where an expert assesses whether a related party transaction is ‘fair and reasonable’ (whether for the purposes of Ch 2E or ASX Listing Rule 10.1), this should not be applied as a composite test that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information. See Regulatory Guide 76 Related party transactions (RG 76) at RG 76.106-RG 76.11 for further details.
A proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:

1) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller at arm's length; and

Note: This is a separate test to the consideration of relevant factors and circumstances when determining whether the consideration is an 'arm's length' basis for the purposes of s210; see Section C of RG 76.

(b) for control transactions, on the basis referred to in RG III.11.

Where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing. If the expert uses the market price of either of the securities as a measure of their value, it should consider, among other things, the factors set out in RG III.33(a)-RG III.33(b).

In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transactions.

A proposed related party transaction is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for members to vote for the proposal.

If an expert concludes that a related party transaction is not fair, but reasonable, it should clearly explain the meaning of this opinion, why the expert has reached this conclusion, and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holders' decision-making); see also RG 11.16-RG 11.17.

When deciding whether a proposed transaction is 'reasonable', factors that an expert might consider include:

(a) the financial situation and solvency of the entity, including the factors set out in RG III.26, if the consideration for the financial benefit is cash;

(b) opportunity costs;

(c) the alternative options available to the entity and the likelihood of those options occurring;

(d) the entity's bargaining position;
whether there is selective treatment of any security holder, particularly the related party,

whether special value of the transaction to the purchaser, such as particular technology or the potential to write off outstanding loans from the target; and

the liquidity of the market in the entity’s securities.

RG 111.65 Generally an expert need only conduct an analysis of whether the transaction is “fair and reasonable”, even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g., if item (c) of still approval is also required).
C Methodologies and assumptions

Key points

An expert should:

- if possible use more than one valuation methodology and compare the values derived from using different methodologies to minimise the risk that the opinion is unreliable; and
- justify its choice of methodologies and describe the methods used; see RG 11.84–RG 11.73.

An expert's opinion should be based on reasonable assumptions and all material assumptions should be disclosed; see RG 11.74–RG 11.77.

An expert should usually give a range of values and that range should be as narrow as possible; see RG 11.78–RG 11.78.

An expert might need to value individual assets in certain circumstances; see RG 11.85–RG 11.86.

Choice of methodology

RG 11.84 An expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or similar) basis for choosing its valuation methodologies. Re Morris (1995) 28 ACSR 268 at 270–271. An inappropriate choice might be misleading; Re EPHS Ltd (2002) ATP 12. It might also lead to liability because the expert did not use sufficient care and skill in the preparation of the report: Duke Group Ltd v Pilma (1999) 31 ACSR 213.

RG 11.85 We consider that an expert should, where possible, use more than one valuation methodology. We consider that this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using these different methodologies and comment on any differences. Further, if the expert's valuation of a company's securities differs materially from the price of the company's securities in the period leading up to the announcement of the proposed transaction (together with a typical premium for control for such a transaction), the expert should comment on this difference and the factors underlying it. The expert should also comment if its valuation is less than the price of the company's securities in the period leading up to the announcement of the transaction.

Note: The expert should also consider whether the price of the company's securities is an appropriate valuation methodology; see RG 11.22(d).
However, we will not prescribe the valuation methodologies that an expert should use in preparing its report since an expert should exercise its own skill and judgment to choose methodologies that are appropriate in the circumstances of the entity or the asset being valued.

An expert should justify its choice of methodology or methodologies (including when the expert has used only one methodology, the basis for doing so) and describe the method or methods used in the report. We consider that an expert report that does this allows security holders to better understand the expert report and determine the weight to be attached to the report. It also allows another expert, professional adviser or institutional investor to replicate the expert’s work and assess the valuation.

An expert should discuss how much weight is being placed on each methodology used in the valuation. For instance, one methodology may be identified as the primary methodology whereas another is used to provide a cross-check to the valuation.

It is generally appropriate for an expert to consider using the following methodologies:

(a) the discounted cash flow method (see also RG III.56 RG III.101) and the estimated realisable value of any surplus assets;

(b) the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future sustainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;

(c) the amount that would be available for distribution to security holders or an orderly realisation of assets;

(d) the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the value be available for sale; and

(e) any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of these business units or assets.

Note: Some valuation methodologies include a premium for control while others do not. An expert needs to ensure that the choice of methodologies or methodologies is appropriate for the circumstances of the transaction.

The amount an alternative bidder might be willing to offer if all the securities in the target were available for purchase may provide a useful framework for the application of methodologies (e.g., in selecting earnings multiples) and in underpinning any overall judgment as to value.
RG 111.71 An expert should not take into account highly speculative alternative
proposals which are so unorthodox that no economic value could be placed
on them.

RG 111.72 If an entity has recently conducted a sale process without success or has been
'out of the market' for some period without an alternative bid emerging, it may be
possible to comment that no alternative acquirer appears likely to offer a
higher price.

Option valuations

RG 111.73 The most commonly used methodologies for valuing unlisted or thinly
traded options are the Binomial Model and the Black & Scholes Model. In
selecting an approach, an expert should assess whether the assumptions used
in the methodology are appropriate for the options being valued.

Assumptions

RG 111.74 An expert's opinion should be based on reasonable assumptions. This
reduces the risk that the report will be misleading. AD70A(2); 512DA of the
Australian Securities and Investments Commission Act 2001 (ASIC Act),
MGY 21 (1992) Ltd v Kenny & Good Pty Ltd (1996) 140 ALR 313 at 316;

RG 111.75 An expert should disclose all material assumptions on which its report is
based. This allows security holders to assess the reasonableness of the report
and its main uncertainties. For RBY Sugar Pty Ltd and Others (1994) 12
ACSR 693 at 702; GIO Australia Holdings Pty Ltd v AMP Insurance

RG 111.76 The material assumptions disclosed should be specific and definite. All
embracing assumptions of no specific relevance to the entity being valued
should not be included (e.g. the continued absence of war or the non-
occurrence of natural disasters). However, assumptions concerning specific
future economic conditions (such as assumed interest rates, exchange rates
and commodity prices) and the assessment of their impact on the report
should be disclosed.

RG 111.77 If changes in material assumptions are likely to materially impact on a
report's valuation (e.g. changes in the exchange rate or interest rate
assumptions), an expert should consider including a sensitivity analysis
which sets out the impact of such changes.

Note: See Regulatory Guide 170 Post-acquisition Financial Intervention (RG 170) at
RG 171.64 RG 129.66
Value ranges

RG III.78 An expert should usually give a range of values. The value of securitites is typically subject to uncertainty and volatility. Provide precise dollar values if you are likely to imply misleading accuracy to a valuation.

RG III.79 Nevertheless, the range of values should be as narrow as possible. If an expert cannot give a narrow range because of uncertainty (e.g., start-up companies), the expert should prominently explain in its report what factors create this uncertainty and how the expert is able to justify its findings despite the uncertainty. In our view, a broad range of values undermines the usefulness of the report.

Valuing assets

RG III.83 An expert might need to value individual assets in undertaking the analysis required to prepare the report, for example, if the assets are considered "surplus" to other business activities being valued. In valuing individual assets, an expert may need to quantify and discuss any material differences between its valuation and the market value of the asset used for accounting purposes.

RG III.81 An expert may also need to assess the carrying value of an entity's assets if the primary valuation methodology it has employed results in a value that is less than the entity's reported net assets (after allowing for reasonable realisation costs).

RG III.82 In such circumstances, the expert should ensure that it has the expertise to value the assets (e.g., to value real property or exploration mining tenements) or retain a specialist to do so.

RG III.84 Real property assets that are planned or are in the process of development should be valued on the basis of their current market value rather than on an "as complete" basis.
D Other key requirements

**Key points**

An expert report should help security holders make their decision by clearly disclosing key information: see RG 111.68-RG 111.108.

An expert's opinion should be based on reasonable grounds. These grounds should be discussed in the report: see RG 111.90-RG 111.101.

An expert might need to act on changes in circumstances after issuing its report: see RG 111.102-RG 111.134.

Particular considerations apply to the inclusion of certain information (e.g. directions) see RG 111.105-RG 111.116.

An expert should have the relevant expertise to prepare the expert report: see RG 111.117-RG 111.122.

An expert should maintain adequate records of the work undertaken to prepare the expert report: see RG 111.123-RG 111.127.

**Clear, concise and effective communication**

**RG 111.84** An expert report should help security holders make their decision. The report should:

(a) address the varying information needs of a report's audience;

(b) clearly explain the meaning of the expert's opinion and the significance of that opinion to the decision to be made by security holders;

(c) highlight key information;

(d) be easy to navigate and understand (e.g., through including an up-front summary of the expert's opinion and the reasons for the opinion; the use of content tables, indexing, cross-references, numbered sections, subsections and the avoidance of jargon); and

(e) be as brief as possible.

**RG 111.85** An expert report should only contain information that relates directly to the decision to be made by security holders. Including extraneous information in an expert report undermines the effectiveness of that report. Summary J dealt with this issue in Re Australian Co-operative Foods Ltd (2001) 38 ACSR 71 at 77 in the following terms:

"Experts are responsible for what they say in their reports. They must ensure that their reports deal adequately with the kind of concerns that could reasonably be anticipated from those affected by the scheme, in reporting on whether the relevant scheme proposal is fair and reasonable from their
viewpoint... This is so that members can then make an informed decision with the benefit of a report that is as simple, clear and useful as possible. A plethora of peripheral information is more likely to distract than illuminate.

For example, an analysis of the industry in which the company (i.e., the subject of the opinion) operates might be useful. However, copying material out of an industry research database may merely add to the length of reports. An expert should include an analysis of the material and relate the material directly to its opinion.

Technical terms

Technical terms should be avoided when possible. If the expert uses technical terms, it should use them consistently in a report and consistently with the way they are used in the relevant industry. When appropriate, the expert should provide a glossary, especially when the definition or interpretation of specific terms is central to its report.

Concise or short form expert report

We encourage an expert to consider preparing a concise or short form expert report. The commissioning party would make a longer expert report containing additional, more technical or detailed information available on request free of charge or ensure it is provided online. This reflects a developing market practice.

Note: See RG 66 for information about the use of an expert report to demonstrate management.

The concise report would still need to contain sufficient information to help security holders make their decision. The concise report should include the information that we emphasize in the rest of this guide and in Regulatory Guide 112 Independence of experts (RG 112) (e.g., material assumptions). If the longer report contained any "surprises" for the security holder who only read the concise report, this would indicate that the concise report was inadequate or misleading. Table 2 contains examples of types of information that an expert might consider including and leaving out of the concise report. Determining what information to include in the concise report and what to leave out is a matter for the expert's professional judgment in the particular circumstances of the report. However, we are happy to work with experts on these issues.
### Table 2: Examples of information that an expert might consider putting in and leaving out of a concise expert report

<table>
<thead>
<tr>
<th>Information to be included in the expert report</th>
<th>Information to be left out of the expert report</th>
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<tbody>
<tr>
<td>- Expert's conclusion</td>
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<td>- Meaning of conclusion and significance for the decision to be made</td>
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<td>- Summary of reasons for conclusion</td>
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<td>- Summary of valuation including:</td>
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<td>- Methodology used</td>
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<td>- Material assumptions; and</td>
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<td>- Validation of these</td>
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<td>- Financial Services Guide</td>
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<td>- Industry overview</td>
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<td>- Disclaimers</td>
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<td>- Detailed financial information</td>
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<td>- Unbiased profile of parties to the transaction</td>
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<td>- Qualifications, declarations (e.g., indemnities) and consents</td>
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<td>- Detailed future price analysis</td>
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</table>
| - Detailed description of capital structure (e.g., shareholder equity and dividend- 
  related interests if not linked to the expert's analysis) |                                             |
| - A list of premises ASX announcements       |                                               |
| - A list of sources of information           |                                               |

### Statements should be supportable

#### Reasonable grounds

**RG 111.20** A legal opinion should be based on reasonable grounds. These grounds should be set out in the report.

**RG 111.91** We consider that setting out the reasons for the opinion will assist security holders to understand the expert's opinion, to assess the weight to attach to the opinion and to evaluate the validity of the expert's conclusions; s636(2); 640[1]; 657A(1)(c); Sch 8, cl 8305 of the Corporations Regulations and Meditar (Australia) Pty Ltd v Spenides (2001) 52 NSWLR 735 at 739 and following. Further, security holders cannot make an informed decision without the benefit of 'sufficient supporting information': Australian Co-operative Foods at 77.

#### Review of information

**RG 111.39** We expect an expert to

(a) critically evaluate the information provided to him; and

(b) take note of any grounds held for questioning the truth, accuracy and completeness of the information.
RG 111.92 An expert should conduct such critical analysis of the information on which it relied to prepare the report as is reasonable in the circumstances and as the law requires: Australian Co-operative Foods at 77. The more material the information is to the conclusions reached by the expert, the greater the responsibility on the expert to be satisfied that the information is not materially inaccurate. If there are indications suggesting that the information in question may not be reasonably relied on, then the expert should make additional enquiries. We do not expect an expert to conduct an audit of the subject matter of the report.

RG 111.91 For example, the expert must review directors' valuations and management accounts, partly to detect charges in the way those valuations and accounts have been prepared from period to period: see RG 111.96. If there are no indications of irregularities or omissions, an expert will ordinarily be entitled to take at face value valuations previously prepared by outside experts, audited financial statements and the accounting records of the company. An expert may only rely on management accounts if it has established reasonable grounds: see RG 111.96.

Forward-looking information and use of the discounted cash flow methodology

RG 111.91 An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together "forward-looking information") in its report unless there are reasonable grounds for the forward-looking information. Otherwise the opinion will be misleading under s670A(2) of the Corporations Act or s12DA of the ASIC Act.

RG 111.92 An expert should make sufficient inquiries to satisfy itself that forward-looking information on which it has relied was prepared on a reasonable basis. It is important that those producing such information to the expert have used methods of analysis and presentations previously used by the company (unless there is a sound reason to use a different approach), and have not used new systems or approaches which favour their objectives. If there are any material variations in method or presentation, the expert should adjust for or comment on them in the report.

RG 111.93 RG 170 gives detailed guidance on what we consider is a reasonable basis for stating prospective financial information. While RG 170 is expected to apply to fundraising documents under Ch 6D and 7, it provides useful guidance for inclusion of prospective financial information in expert reports. We also consider that RG 170 provides useful guidance for inclusion of forward-looking information that does not fall within the definition of "prospective financial information".
However, where many expect that using the discounted cash flow (DCF) methodology will involve the use of forward-looking information and assumptions over a longer period than the ten-year period in RG 170, see RG 170.18 and RG 170.29. As long as the focus of the disclosure in the expert report is on the valuation rather than forward-looking information that supports it, the expert does not need to convince an independent reader that the report for the DCF methodology; see RG 170.18(c). However, the expert should undertake a critical analysis of the forward-looking information used in applying the DCF methodology to ensure it is based on reasonable grounds.

ASIC recognises that there may be a reasonable basis for the use of DCF methodologies before a project generates cash flows as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used.

When an expert includes forward-looking information in its report, the report should include all information that may be required for users of the report to assess the reasonableness of the methodology and assumptions used, including:

(a) the nature of the information, its limitations and the reason for its inclusion in the report;

(b) the material inputs and assumptions used and the reason for using those assumptions;

(c) if applicable, the discount rate selected and rationale;

(d) the extent and nature of the adjustments made to the DCF (if any) to allow for the development stage risks attaching to these cash flows (whether through risk weighing cash flows, adjustments to discount rates or other methods);

(e) the extent of inquiries and research undertaken by the expert and the compile of the information;

(f) the technical and financial qualifications of the expert and the compiler in relation to the relevant industry and asset; and

(g) the period to which the information relates and the reason for the use of that period.

Full disclosure of the types of matters raised in RG 11.100 and any other risk disclosure, warning or cautionary language does not affect the requirement for forward-looking information to be based on reasonable grounds. It will also not prevent particular information from being misleading.
Changes in circumstances

RG 11 102 An expert who has delivered its report to the commissioning party should notify that party as soon as possible if the expert becomes aware of a significant change affecting the information in its report or if the expert believes that a material statement in the report is misleading or deceptive. The commissioning party should also notify the expert if that party becomes aware of a significant change affecting the information in the expert report prior to a meeting being held or during the other period.

RG 11 131 When a material change in circumstances has arisen since a report was prepared, a failure by the expert to provide a supplementary report to a client may constitute misleading or deceptive conduct. Security holders will rely on an expert report when making their decision, not when they first receive the report. "ANZ v Smit Holdings Ltd (1995) 30 ACSR 605 at 611. If an expert becomes aware of a material change in circumstances, then depending on the circumstances, it may be appropriate for a commissioning party to send a supplementary report, even if security holders would receive the report:
(a) shortly before a meeting is held; or
(b) towards the end of an offer period.

See "Troy Resources NL v Taipan Resources NL (2000) 36 ACSR 197."

The Commissioner or judge should consider what period is appropriate for security holders to have to consider any supplementary information; see also RG 51.92-51.96.

RG 11 134 Changes affecting valuations in reports are more likely to trigger the supplementary report obligation than tactical events in the progress of transactions, for example, the level of acceptance in a bid.

Inclusion of other information

Confidential information

RG 11 105 While an expert should not omit material information from its report merely because it is confidential, the expert may be able to adequately support an opinion by careful disclosure without revealing confidential information.

Disclaimers

RG 11 136 The purpose of an expert report is to give security holders an assessment on which they can rely. A disclaimer defeats this purpose.

RG 11 137 An expert cannot limit its statutory liability for the report through "disclaimers" (e.g., that the expert will not be liable for any loss incurred through reliance on its report). An expert report that purports to exclude the expert from liability may be misleading.
RG III.103 An expert should consider refusing to give a report when it has not been given:
(a) sufficient information or undisputed access to an entity's records; or
(b) enough time to prepare the report.

RG III.105 When an expert decides that its report will assist security holders despite limitations that the expert cannot resolve (e.g., because the expert does not have time to investigate the reliability of certain information), the expert's should prominently explain the nature of the uncertainties and the impact on its opinion so that security holders can assess the weight to attach to the opinion.

RG III.110 When an expert is retained to provide a report on a limited matter, the expert may disclaim responsibility for matters outside the scope of its retainer.

Indemnities

RG III.111 An expert may take an indemnity from the commissioning party (or any other person) under which it is to be compensated for certain liability. An acceptable indemnity would cover liability that arises because:
(a) the expert relied on information provided by the person; or
(b) the person did provide the expert with material information.

RG III.112 Such an indemnity will not diminish the liability of an expert to security holders. Nor will it reduce the expert's responsibility to ensure that it has reasonably grounds for its opinion and that the report is not misleading or deceptive.

RG III.113 An expert report that implies that an indemnity relieves the expert from liability to security holders is potentially misleading. ASIC expects reports to explain the effect of any indemnity.

Additional disclosures

RG III.114 Security holders will generally expect that an expert report will have been prepared on the following basis:
(a) the expert has made all the inquiries that it believes are desirable and appropriate in order to prepare the report; and
(b) the report has been written in any manner that the expert regards as material to security holders' assessment of the expert's conclusions.

Note: To the extent that there are any nationally applicable standards and guidelines for preparing a particular class of reports (e.g., the Valuation Guide for valuations involving mining and hydrocarbon interests), security holders will generally expect that these have been followed. The report should disclose if that was not the case, and if it will be a matter that is relevant to security holders' assessment of the expert's conclusions.
RG 111.11  If an expert report has not been prepared on this basis, the report should
prospectively explain why this is the case and the impact of this on the report.
If the report is unable to be prepared on such a basis, the expert may need to
terminate preparing the report: see RG 111.108–RG 111.109.

RG 111.16  An expert should also disclose to security holders, to the extent necessary to
help them assess what weight to give to reports:
(a) the source of material used in the report;
(b) the inquiries made by the expert;
(c) any unacceptable or unusual constraints the expert worked under;
(d) whether the expert is dissatisfied with the quality of the information
used for the report, and
(e) whether any concerned party to the relevant transaction has refused to
provide adequate:
(i) access to information; or
(ii) explanations;
if the information or the explanations might have impacted on the
report’s conclusions.

Expertise

RG 111.17  ASIC expects an expert preparing an expert report to be, in fact, an expert in
the relevant field. Section 9 defines an expert as "a person whose profession
or reputation gives authority to a statement made by him or her". To this end,
we expect an expert and the commissioning party to ensure that:
(a) the expert’s profession or reputation is relevant to the matters upon
which the expert is to report;
(b) the expert holds the licences or authorities necessary for providing the
type of advice sought; and
(c) the expert states in the report its qualifications and experience or, if the
report is made by a corporation or firm, the qualifications and
experience of the individuals responsible for preparing the report.

RG 111.18  Glybes J observed in Reiffel v ACN 075 829 264 Ltd (2003) 48 ACSR 67 at 87
It is implicit ... that such an expert will exercise the care, skill and
judgement appropriate to the relevant field of expertise in forming and
expressing the opinion.

RG 111.15  For technical matters beyond the expert’s expertise, an expert should retain a
specialist to advise them e.g. a geologist to provide an opinion on
recoverable oil on the subject of mining tenements, or a traffic forecast report
in relation to a toll road: see RG 112.67–RG 112.69.
RG III.120 An expert should ensure that staff preparing and supervising the preparation of the report have sufficient skill, knowledge and experience to perform the expert's role.

RG III.121 Expert reports typically constitute the giving of financial product advice so an expert must hold an Australian financial services (AFS) licence. An AFS licence requires at least sufficient human and technological resources to provide the services specified in its licence and should ensure its staff are adequately trained and competent to provide those services. See RG 114A.

Note: ASIC may take action against an expert when the expert lacked the expertise to complete the work, failed to comply with the law and did not meet standards of good practice. See Media Release MR 81-122: ASIC,$p.46$ for further details.

RG III.122 Detailed guidance on how we consider these licence obligations can be found in Regulatory Guide 104: Licensing: Meeting the general obligations (RG 104), Regulatory Guide 105: Licensing: Organisational competence (RG 105) and Regulatory Guide 145: Licensing: Training of financial product advisers (RG 145).

Working papers

RG III.123 In preparing an expert report, an expert should document his work and maintain adequate working papers that record the basis of the report. The expert should be able to readily draw on his working papers to demonstrate that his opinion is reasonably based.

Note: Much of the expert's analysis will be described in the report. The requirement to document and maintain adequate working papers does not detract from the obligations of an expert with respect to the content of an expert report.

RG III.124 Maintaining adequate working papers is an important aspect of an expert's quality control and review process. In our view, the duties imposed by the Corporations Act on AFS licensees require licensees to keep adequate records about their financial services business; see Regulatory Guide 175: Licensing: Financial product advisers - Conduct and disclosure (RG 175) at RG 175.97 and RG 175.141.

RG III.125 Maintaining adequate working papers will also assist the expert in demonstrating compliance with its legal obligations (including the obligations described in this guide and RG 112 and its obligations as an AFS licensee) and its internal procedures and processes.

RG III.126 Working papers should be compiled so they can be consulted by someone with no prior involvement with the transaction and can review them and understand the major issues. They should include, for example:

(a) documents supporting the expert's choice of methodology;

(b) documents supporting significant assumptions underpinning the expert's opinion.
(e) factual information relied on or used by the expert in preparing the report and material documenting the inquiries made by the expert in relation to that information;

(f) analysis of any financial models that the expert has relied on. Where the expert has relied on a financial model, the expert should undertake a review of the model and document its analysis, including which aspects of the model have been reviewed by the expert and the extent of the review. We do not expect an expert to conduct an audit of the model;

and

(g) file notes of discussions and correspondence between the expert and the commissioning party; see RG 11.2.52.

סקה III.27 All records relevant to the preparation of an expert report may be subject to review by ASIC. Even where we do not have any particular concerns about an expert report, we may review the report, the working papers and the independence of the expert as part of our regular review of the independent expert sector.
E Regulatory action

Key Points

We will consider regulatory action if we consider there are material issues with the content of an expert report or have concerns about the independence of an expert.

RG 111.126 We will consider regulatory action if we consider that there are material issues with the content of the report (e.g. as to the adequacy and the completeness of the expert's analysis) or if we have concerns about the independence of an expert.

RG 111.127 We might write to the expert or the commissioning party or both to raise concerns or request changes to an expert report. However, when delay might prejudice the interests of security holders on the market, we might take enforcement action without consulting the expert or the commissioning party.

RG 111.133 The action we might take could be one or more of the following:

(a) in a takeover bid, an application to the Takeovers Panel for a declaration of unacceptable circumstances;
(b) in a scheme of arrangement, opposition to the scheme at a court hearing;
(c) action for contravention of misleading or deceptive conduct provisions;
(d) action by us to revoke, suspend the expert's licence or add a condition after a hearing; s915C; or
(e) action by us to cease or suspend remitting the expert to prepare reports in companion acquisitions, s67AA and RG 135.107.
Key terms

ABS licence
An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services.

APS licence
A permit under which a business can provide financial services in accordance with s913B of the Corporations Act. This is a definition contained in s19 of the Corporations Act.

ASIC
Australian Securities and Investments Commission

ASIC Act
Australian Securities and Investments Commission Act 2001

ASX
Australian Securities Exchange Limited

Bidders
The people or entities to which an offer is made in s9

Corporations Act
Corporations Act 2001 including regulations made for the purposes of that Act

Corporations Regulations
Corporations Regulations 2001

financial information
Financial information of a predictive nature based on assumptions about events that may occur in the future and an analysis of the actions by an entity.

related party
Has the meaning given to that term in s228

reg 5.1.1 (for example)
A regulation of the Corporations Regulations in this example number 5.1.1

RG (for example)
An ASIC regulatory guide (in this example number 175)

s448A (for example)
A section of the Corporations Act (in this example number 448A) or any other legislation specified.

Sch 4 (for example)
A schedule of the Corporations Act (in this example number 4) or any other legislation specified.

scheme or arrangement
A method of arrangement conducted under Pt 5.1

security
The meaning given to that term in s2

security interest
The meaning given to that term in s2

target
The meaning given to that term in s2

Valmin Code
Related information

Headnotes

experts, expert report, analysis of control transactions, substance of
transaction not legal mechanism used, assumptions, methodology, valuing
assets, clear communication, incorporation by reference, supportable
statements, prospective financial information, disclaimers, indemnities,
experts, related party transactions

Regulatory guides

RG 60 Schemes of arrangement
RG 74 Acquisitions agreed to by shareholder
RG 75 Related party transactions
RG 104 Licensing: Meeting the general obligations
RG 105 Licensing: Organisational competence
RG 110 Share buy-backs
RG 112 Independence of experts
RG 116 Licensing: Wholesalers financial product advisors
RG 155 Takeovers: compulsory acquisitions and substantial holding notices
RG 170 Prospective financial information
RG 175 Licensing: Financial product advisors: Conduct and disclosure

Legislation

Corporations Act, Ch 7F, 2J, 6 and 7, 8H, 21U, 21B, 219, 220, 221, 256C(4),
606, item 7(b) at 611, 630(1)(g), 630(1)(h)(ii)(iii), 636(2), 636B, 654C,
655B, 667A, 667C, 670A(2), 765R(2), 766(4), 512A(1) and Sch 4, cl 29(4).
Corporations Regulations reg 3,4, 5, 8, chs 8303 and 8305

ASIC Act, s170A

Cases

ASIC v Solentic Holdings Ltd (1999) 30 ACSR 605

Pe Australian Cooperative Foods Ltd (2001) 38 ACSR 71
Re P&Q Sugar Pty Ltd and Others (1994) 12 ACSR 695
Cappella Diamonds Investments Pty Ltd v Cutten (2002) 41 ACSR 376
Duke Group v Filmer (1599) 31 ACSR 213
Re EPNS Ltd [2002] ATP 12
Re Goldfields Kalgoorlie Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd (2000) 34 ACSR 777
GHD Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd (1998) 39 ACSR 584
Malhin (Australia) Pty Ltd v Sprowles (2011) 52 NSWLR 705
Re: Malhin (1998) 28 ACSR 268
MGICA (1992) Ltd v Kenny & Good P/L (1996) 140 ALR 13
Northern Energy Corporation Ltd [2011] ATP 2
Ratoff v ACM 973 839 266 Ltd (2003) 15 ACSR 67
Teil v Ramsay Centauri [2002] 42 ACSR 351
Troy Resources NL v Trajan Resources NL (2000) 36 ACSR 197
Winpar Holdings Ltd v Australian Mining Ltd [2005] VSCA 211

Consultation papers and reports
CP 62 Better experts' reports
CP 142 Related party transactions
CP 143 Expert reports and independence of experts: Updates to RG 111 and RG 112
REP 233 Response to submissions on CP 142 Related party transactions
REP 234 Response to submissions on CP 143 Expert reports and independence of experts

Media releases
MR 01-421 ASIC clips Falconer's wings

Miscellaneous
ASX Listing Rule 10
4. シンガポール

(1) 集団投資スキーム規則（MAS）

Code on Collective Investment Schemes

| 作成目的・背景 | 投資家から資金を集めて運用する各種投資信託・ファンド等について規制したもの（不動産投資信託のみでなく、一般的な投資信託・MMF・デリバティブ等も含む。） |
| 構成・概要 | 各種投資信託・ファンドのスキーム等について規制したもの |

| 本文に関連する条文・記述 | Part II Appendix 6 8（不動産ファンドの鑑定評価） |
| | ファンドに組み込まれている不動産は、1年（決算年度）に1回以上、外部の鑑定人によるフルバージョンの鑑定評価を行うこと。また、鑑定人の独立性に関しては、鑑定人はファンドとの間に独立性を有していることが必要であるほか、同じ不動産については連続して2年以上同一の鑑定人が評価してはならない。 |
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**PART II**

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available to be distributed from the deposited property of the property fund. The certification should be
made at the time the distribution is considered.

7.4 The investment restrictions and requirements in paragraphs 7.1(d) and (e) are applicable at
the time the transactions are entered into. A property fund is not required to divest any assets that
breach the restrictions or requirements if such breaches were a result of

a) the appreciation or depreciation of the value of the property fund’s assets

b) any redemption of units or distributions made from the property fund; or

c) in respect of investments in fixed shares of or issued by property and non-property
corporations (local or foreign) any changes in the total issued nominal amount of securities
amongst rights, options or other benefits that are capital in nature.

7.5 Where as a result of divestment or new issue of units by the property fund, a property fund’s
investments in real estate fall below 75% of its deposited property, the property fund should increase
the proportion of its real estate investments to 75% within:

a) 12 months if the real estate investments fall to a level between 50% and 75% of the property
fund’s deposited property; or

b) 24 months if the real estate investments fall below 50% of the property fund’s deposited
property.

7.6 Paragraph 7.5 would not apply:

a) in the case of divestment, the property fund offers to return (by way of redemption) or

b) distributes at least 75% of the proceeds of the investment in cash within 12 months (in the
case of paragraph 7.5(a)); or 24 months (in the case of paragraph 7.5(b));

b) in the case of a new issue of units, the property fund offers to return at least 70% of the
subscription moneys received from such new issue within 12 months (in the case of
paragraph 7.5(b)); or 24 months (in the case of paragraph 7.5(b)); or

c) in the case of either divestment or new issue of units, the property fund is in the process of
being wound up.

8 Valuation of the Property Fund’s Real Estate Investments

8.1 A full valuation of each of the property fund’s real estate assets should be conducted by a
valuation expert at least once a financial year, in accordance with any applicable code of practice for such
valuations.

8.2 When the manager proposes to issue new units for subscription or redeem existing units
and the property fund’s real estate assets are valued more than six months ago, the manager
should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets,
especially with market conditions in mind that real estate values have changed materially.

8.3 A valuation for the purpose of paragraph 8.1, be it for a full or desktop valuation, should:

a) not be a related corporation or have a relationship with the manager, adviser or any other
company which the property fund is contracting with who, in the opinion of the trustee, would
interfere with the valuer’s ability to give an independent and professional valuation of the
property;

b) disclose to the trustee any pending business transactions, contracts under negotiation, other
arrangements with the manager, adviser or any other company which the property fund is
contracting with and other factors that would interfere with the valuer’s ability to give an
indispensable and professional valuation of the property. The trustee should then take such disclosure into account when deciding whether the person concerned is sufficiently independent to act as the valuer for the property fund:

c) be unbiased under any law of the state or country where the valuation takes place to practice as a valuer.

d) have the necessary experience and experience in valuing properties of the type in question and in the relevant area, and

e) not value the same property for more than two consecutive financial years.

8.4 To avoid the avoidance of doubt, an advisor appointed by the manager pursuant to paragraph 2(d) should not value the property unless it is recommended to be bought or sold by the property fund. However, if the advisor may value the property after it has been acquired by the property fund.

8.6 Subject to paragraph 5.1(c) in respect of interested party transactions, a property fund should purchase or sell real estate assets at a reasonable price. A 'reasonable price' means:

a) in the case of acquisitions, a price not more than 110% of the assessed value (valuer to be commissioned by the property fund) and which assessment is not more than six months old, or

b) in the case of disposals, a price not less than 90% of the assessed value assessed (valuer to be commissioned by the property fund) and which assessment is not more than six months old.

8.7 For the purpose of paragraph 8.5, the date of acquisition on disposal means the date of the sale and purchase agreement. Where there is more than one valuation conducted by more than one valuer for the same real estate asset, the manager should use the average of the assessed values.

8.7 Where a real estate asset is to be bought or sold at a price other than that specified in paragraph 8.5, prior approval should be obtained from the trustee.

8.8 Notwithstanding paragraphs 5.1(c) and 8.2, a valuation of the property fund's real estate assets may be conducted if the trustee or manager is of the opinion that it is in the best interest of participants to do so.

9 Aggregate Leverage Limit

9.1 Borrowings may be used for investment or redemption purposes. A property fund may mortgage its assets to secure such borrowings.

Guideline 1
Borrowings include bonds, notes, syndicated loans, bilateral loans or other debt.

Guideline 2
Bonds or notes may be issued, directly by the fund or indirectly via an SPV.

9.2 The total borrowings and deferred payments (collectively, the "aggregate leverage") of a property fund shall not exceed 35% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35% of the fund's deposited property (up to a maximum of 60%) only if a credit rating of the property fund from Fitch, Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35% of the fund's deposited property.

Endnotes
Deferred payments include deferred payments for assets which are subject to an escrow within the property fund.
（２）住宅ローン事業調査（IMAS）

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| 本文に関連する条文・記述 | 4.3-4.6 鑑定評価の実務（Valuation Practices）
ほとんどの銀行では、融資における担保不動産の評価方針及び手順について、効果的な運用のもとで健全な評価が実施されている。具体的には、フルバージョンの鑑定評価、現地調査、外部鑑定人による審査会、外部鑑定人についての定期的な適性審査などのルールを導入している。また、融資部門から独立した部署において評価を行っている銀行もあれば、融資部門内で不動産評価を行うことの利益相反を許容しているところもあった。定期的な評価方針の点検やチェックの体制が十分でないケースのほか、外部鑑定人が銀行内部の評価チェック員を兼任していたケースも見受けられたようである。 |
THEMATIC INSPECTION OF RESIDENTIAL PROPERTY LOANS BUSINESS

MAS Information Paper
June 2013
1 INTRODUCTION

1.1 The low interest rate environment globally and continued income growth in Singapore had resulted in strong demand for residential properties. This may affect the decisions of property buyers and encourage them to borrow more than they can otherwise afford. When interest rates rise in future or if unemployment rate increases, the asset quality of banks can be adversely affected as borrowers who are highly leveraged may have difficulty servicing their debt obligations. Against this backdrop, it is important that banks maintain sound credit underwriting standards and remain prudent in their lending practices.

1.2 The Monetary Authority of Singapore ("MAS") conducted a thematic inspection of the residential property loans business of banks that are major players in this market, in late 2012. MAS noted that the banks have fundamental policies and procedures in place to assess the credit worthiness and repayment capability of a borrower. Most banks also have robust portfolio monitoring processes and subject their residential property loan portfolios to regular reviews and stress testing. Nonetheless, there are areas for improvement, particularly in banks' underwriting practices. Most of these areas relate to the assessment of a borrower's income and debt servicing ability, the use of debt servicing ratio ("DSR"), and the reliance on collaterals as a primary source of repayment.

1.3 This report describes the key findings of the inspection, including instances of non-compliance with MAS rules and regulations and provides examples of lending practices that could be improved. It also highlights the sound practices observed. Banks should review the findings and sound practices detailed in the following sections and take steps to strengthen their credit underwriting standards and practices. Banks should also refer to the revised MAS Notice 632 on Residential Property Loans ("MAS Notice 632") and the new MAS Notice 645 on Computation of Total Debt Servicing Ratio for Property Loans ("MAS Notice 645") and its accompanying Guidelines on the Application of Total Debt Servicing Ratio for Property Loans under MAS Notices 645 1, 631 and 128 issued on 28 June 2012 ("Guidelines") 

Note: MAS Notice 645 and the Guidelines set out requirements and guidance on the use of Total Debt Servicing Ratios ("TDSR") in assessing property loans.
2.5 Some banks waived the requirement for documentary proof of income for refinancing applications. The banks represented that they had relied on checks with credit bureaus on the borrowers' repayment history to assess the borrowers' ability to continue servicing the loan. However, as the employment status and income level of a borrower can change over time, banks must obtain the most current documentary proof of income for all housing loan applications, including refinancing applications.

2.6 Another weakness noted was the inconsistent treatment of Central Provident Fund ("CPF") contributions in the internal DSR computation. Some banks included contributions into the borrower's CPF account when calculating total income, but excluded debt repayments serviced using CPF contributions from the calculation of total debt obligations, leading to an artificially lower DSR.

**Determination of loan tenure**

2.7 Banks have differing practices for determining loan tenures for joint borrowers. Some banks based the loan tenure on the age of the youngest co-applicant, notwithstanding that the applicant may have little or no income. In such instances, the banks generally relied on the other co-applicants' debt servicing ability. One bank adopted a more conservative approach of applying the loan tenure based on the younger borrower's age only if his income constituted a reasonable proportion of the total combined income of all borrowers.

2.8 Going forward, banks are required to calculate the applicable loan tenure for the purposes of paragraph 17(n) of MAS Notice 632 using the income-weighted average age of the joint borrowers. When computing a borrower's TDSR (whether for cases involving joint borrowers or otherwise), banks are required to use the actual loan tenure in the loan application, rather than the maximum eligible loan tenure.

**Inclusion of guarantors**

2.9 Some banks granted loans to borrowers who were assessed to have little or no debt repayment ability, but had financial support from guarantors typically family members, at the point of loan application. In some of these instances, loans were granted at the maximum allowable loan-to-value ("LTV") ratio based on the fact that the borrower had no other outstanding housing loans, despite the fact that loan approval was premised on the repayment capability of the guarantors, who had other outstanding housing loans in other instances, were approved without adequate assessment of the debt servicing capability of the guarantors. In contrast, some banks adopted a more prudent approach of requiring the person providing the guarantee to be included as a joint borrower, rather than as a guarantor.
Lending based on Low LTV

2.14 Banks had adopted policies that permitted them to approve loans on the basis of low LTV ratios, without having to verify a borrower's income or subjecting the borrower to the appropriate DSR thresholds. Banks considered the borrower's substantial upfront cash commitment in such cases as evidence of his willingness and ability to service the loan.

2.15 While LTV limits help control the loss exposure should a borrower default, they do not fully reflect the likelihood of borrower repayment since the latter would also depend on the borrower's ongoing financial capacity to meet his loan obligations. An assessment of the borrower's repayment ability would still be needed.
4 OTHER FINDINGS

Systems and Processes

4.1 Some banks had promised their customers fast turnaround times for processing their property loan applications. While MAS is supportive of banks efforts to innovate and improve efficiency to provide better customer service, banks are reminded that this should not come at the expense of performing a thorough and holistic assessment of a borrower's credit worthiness and repayment capability. Key performance indicators for credit approvers should not be focused on turnaround times, as this could place undue pressure on them to process loan applications without adequate consideration of all relevant factors that could impact a borrower's ability to service a loan.

4.2 There were also instances where a bank's systems were unable to aggregate multiple loan applications from the same borrower that were received by the bank within the same day. It's important for banks to aggregate loan applications so that their TDSR computations take into account all debt obligations accurately and loan applications can be considered by the appropriate approving authority within the bank.

Valuation Practices

4.3 Most banks have policies and procedures in place that affirm the importance of effective collateral management and sound valuation practices on the mortgage business. Such policies and procedures included the requirement to conduct full valuation with on-site inspection of the property, processes to select and appoint a panel of external valuers, and periodic reviews of the performance of the external valuers, amongst others.

4.4 Typically, the mortgage acquisition function is the first to initiate contact with the valuer to request an indicative valuation. However, some banks have recognised the inherent conflict of interest to hold the bank's mortgage acquisition function responsible for obtaining valuations. These banks have implemented processes to ensure that the initial contact and subsequent follow-up to obtain the valuation reports are performed by a unit which is independent of the mortgage acquisition function.

4.5 However, there were instances where certain valuation policies, such as the need to regularly review the performance of banks' pre-approved panel of valuers,
5 CONCLUSION

5.1. It is important that banks maintain sound credit underwriting standards and prudent lending practices to avoid the kind of excesses that had led to financial crises in other countries. Banks should ensure that they have appropriately assessed the ability of a borrower to service the loan over its lifetime, without causing undue hardship and over-indebtedness.

5.2. MAS expects banks to review their internal policies and processes in light of the findings contained in this report, and ensure that robust and effective assessment of borrowers' credit worthiness and repayment capability remain the guiding principle for their lending. Banks should act responsibly and uphold prudent underwriting, source risk management as well as strong compliance standards.
5. 香港

（１）不動産投資信託規則（SFC）

*Code on Real Estate Investment Trusts*

<table>
<thead>
<tr>
<th>作成目的・背景</th>
<th>本規則は、不動産投資信託（REIT）の組成、運用及び配当等に関するルールを定めたもの。</th>
</tr>
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<tbody>
<tr>
<td>構成・概要</td>
<td>基本原則などの総則に続いて、信託受託者、運用会社・監査人・上場及財務アドバイザー、評価人、投資制限と配当政策、利害関係人取引、運用ルール、報告書及び文書などについて規定している。</td>
</tr>
</tbody>
</table>
| 本文に関連する条文・記述 | 第６章 評価人

6.1 スキームごとに独立した評価人を選任しなければならない。

独立鑑定人の責務

6.2 独立評価人は、スキームに組み込まれている全ての不動産について、現地実査を行うなど正規の手続によって鑑定評価しなければならない。

6.3 鑑定評価の方法は、香港サーベイヤーズ協会が策定した不動産評価基準に従う必要がある。

独立評価人の退任

6.10 独立評価人は、3年間連続して不動産の鑑定評価を行った場合には退任しなければならない。さらに、その後3年間は当該評価人を選任することはできない。 |
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Chapter 6: Property Valuer

Appointment of a Principal Valuer

6.1 Every scheme for which authorisation is requested shall appoint an independent property valuer (the "Principal Valuer") in accordance with 6.4.

Note: The agreement for such appointment shall clearly list the obligations and length of tenure of the Principal Valuer as set out in this Chapter.

General Obligations of a Principal Valuer

6.2 The Principal Valuer shall value all the real estate held under the scheme on the basis of a full valuation with physical inspection in respect of the value of the real estate and an inspection of the buildings and facilities erected thereon once a year, and in any event for the purposes of issuance of new units. The Principal Valuer shall also produce a valuation report on real estate to be acquired or sold by the scheme or where new units are offered by the scheme or in any other circumstances prescribed by the Code. The contents of the valuation report shall comply with 6.8.

6.3 The valuation methodology shall follow the "Valuation Standards on Properties" published from time to time by the Hong Kong Institute of Surveyors or the International Valuation Standards Council published from time to time by the International Valuation Standards Council. Once adopted, the same valuation standards shall be applied consistently to all valuations of properties of the same R.E.T.

Criteria for Acceptability of the Principal Valuer

6.4 The Principal Valuer shall be a company that:

(a) provides property valuation services on a regular basis;
(b) carries on the business of valuing real estate in Hong Kong;
(c) has key personnel who are fellows or members of the Hong Kong Institute of Surveyors or the Royal Institution of Chartered Surveyors (Hong Kong Branch) and who are qualified to perform property valuations;
(d) has sufficient financial resources at its disposal to enable it to conduct its business effectively and meet its liabilities; in particular, it shall have a minimum issued and paid up capital and capital reserves of HK$1 million or its equivalent in foreign currency, and its assets shall exceed its liabilities by HK$1 million or more as shown in the company's last audited balance sheet;
(e) has robust internal controls and checks and balances to ensure the integrity of valuation reports and that those reports are properly and professionally prepared in accordance with international best practice, and
(f) has adequate professional insurance to cover its usual risks.
6.5 The Principal Valuer shall be independent of the scheme, the trustee, the management company and each of the significant holders of the scheme. The Principal Valuer is not considered independent if:

(a) it is the subsidiary or holding company of:
(i) the management company of the scheme;
(ii) the trustee of the scheme;
(iii) any of the significant holders of the scheme; or
(iv) the holding company, subsidiary or associated company of the scheme's management company, the scheme's trustee, or any of the significant holders of the scheme, or

(b) any of its partners, directors or officers is an officer, servant, director or an associate of:
(i) the management company of the scheme;
(ii) the trustee of the scheme;
(iii) any of the significant holders of the scheme; or
(iv) the holding company, subsidiary or associated company of the scheme's management company, trustee or any of its significant holders; or

(c) any of its directors or officers holds or controls 10% or more of the beneficial interest in, or the right to vote in the governing bodies of, any of the entities in
(b)(i), (b)(ii), (b)(iii) or (b)(iv); or

(d) in the case where the scheme intends to acquire or dispose of a property (the subject property), the valuer or its associate:
(i) is engaged whether as principal or agent by the scheme's counterparty that intends or has agreed to sell to or purchase from the scheme the subject property, in relation to the introduction or referral of the scheme to the subject property or vice versa;
(ii) is engaged whether as principal or agent by the scheme in relation to the acquisition of the subject property;
(iii) acts as a broker for the property transaction for a fee; or
(iv) had, at any time during the one year immediately before the date of the agreement for such intended purchase or disposal, been retained to provide valuation of the subject property to the scheme's counterparty (or to its associated companies)

6.6 The Principal Valuer shall ensure that its opinion and valuation is independent of and unaffected by its business or commercial relationship with other persons.

Qualifications of Directors

6.7 The directors of the Principal Valuer shall be persons of good repute who possess the necessary experience for the performance of their duties.

Valuation Report

6.8 The Principal Valuer shall produce a valuation report which shall include at a minimum:

(a) all material details in relation to the basis of valuation and the assumptions used;
(n) describe and explain the valuation methodologies adopted;

(ba) overall structure and condition of the relevant market including an analysis of the supply/offer situation, the market trend and investment activities;

(c) the following particulars in respect of each property, such as:

(i) an address sufficient to identify the property, which shall generally include postal address, lot number and such further designation as is registered with the appropriate government authorities;

(ii) the nature of the interest the scheme holds in the property (e.g. if it's a freehold or leasehold, and the remainder of the term if it is a leasehold);

(iii) the existing use (e.g. shops, offices, factories, residential, etc.);

(iv) a brief description of the property, such as the age of the building, the site area, gross floor area, lettable floor area, and the current zoning use;

(v) the options or rights of pre-emption and other incumbrances constituting or affecting the property;

(vi) the occupancy ratio;

(vii) lease cycle duration;

(viii) lease copy profile;

(ix) a summary of the terms of any sub-leases or tenancies, including repairs obligations, granted to the tenants of the property;

(x) the capital value in existing state at the date the valuation was performed;

(xi) the existing monthly rental before profit tax if the property is wholly or partly let together with the amount and a description of any outgoings or disbursements from the rent, and, if materially different, the estimated current monthly rental obtainable, on the basis that the property was available to let on the effective date as at which the property was valued;

(xii) the estimated current net yield;

(xiii) a summary of any rental review provisions, where material;

(xiv) the amount of vacant space, where material;

(xv) material information regarding the title of the subject property as contained in the relevant legal opinion, and a discussion as to whether any and how the legal opinions have been taken into consideration in the valuation of the relevant property; and

(xvi) any other matters which may affect the property or its value

(d) particulars (as set out in (c)) of any real estate for which the scheme has an option to purchase;

(e) a letter stating the independent status of the valuer and that the valuation report is prepared on a fair and unbiased basis;

(f) a discussion of the valuation methodology and assumptions used, and justification of the assumptions, and

(g) an explanation of the rationale for choosing the particular valuation method if more than one method is adopted.
Notes: (1) Where a valuation report is allowed by the Commission to be published in summary form, the full valuation report shall be made available for inspection at an address in Hong Kong. A statement has to be made in the published report to this effect.

(2) Where a legal opinion is required, such opinion together with copies of any document referred to therein shall be made available to the Principal Valuer and the relevant overseas valuer, if any, engaged in the valuation of the relevant property prior to the completion of the valuation report.

5.9 Whenever a valuation report is prepared for the scheme, the date of the valuation report shall be:

(a) the date the scheme is valued, if such report is prepared for the purpose of calculating the net asset value of the scheme; or

(b) a date which is not more than three months before the date on which:

(i) an offering document is issued, or

(ii) a circular is issued. If the circular relates to a transaction that requires holders' approval, or

(iii) a sale and purchase agreement (or other agreement to transfer legal title) is signed if the transaction does not require holders' approval.

Note: Where the date of the valuation report precedes the end of the last period reported on by the auditor, it will be necessary for the offering document or circular to include a statement reconciling the valuation figure with the figure included in the balance sheet as at the end of the period in the event the two figures are different.

Retirement of the Principal Valuer

6.10 The Principal Valuer shall retire after it has conducted valuations of the real estate of the scheme for three consecutive years. Furthermore, the same valuer may only be re-appointed after another three years.

6.11 The Principal Valuer shall be subject to removal by notice in writing from the trustee in any of the following events:

(a) the Principal Valuer goes into liquidation, becomes bankrupt or has a receiver appointed over its assets; or

(b) for good and sufficient reason, the trustee states in writing that a change in the Principal Valuer is desirable in the interests of the holders, or

(c) an ordinary resolution is passed by the holders to dismiss the Principal Valuer.

Notes: The following persons shall abstain from voting:

(i) the Principal Valuer;

(ii) directors, senior executives or officers of the Principal Valuer;

(iii) associates of the persons in (ii); and

(iv) controlling entity, holding company, subsidiary or associated company of the Principal Valuer.
6.12 In addition, the Principal Valuer shall retire in all other cases provided for in the constitutive documents.

6.13 Upon the retirement or dismissal of the Principal Valuer, the trustee shall appoint a new Principal Valuer that meets the qualification requirements of this Chapter.
（２）HKIS 評価基準（HKIS）

HKIS Valuation Standards

| 作成目的・背景 | 本基準は、香港サーベイヤーズ協会が策定した不動産の鑑定評価に関する実務基準である。 |
| 構成・概要 | 不動産鑑定評価に関する導入、倫理及び鑑定評価の手順、目的別の評価基準の適用などが規定されているほか、ガイダンスノートとして、財務諸表の作成に係る評価におけるガイダンスノートと不動産担保融資に係る評価におけるガイダンスノートが設定されている。 |
| 本文に関連する条文・記述 | ガイダンスノート 2 不動産担保融資に係る評価におけるガイドラインノート
1. 資格を有する評価人の役割
資格を有する評価人の役割は、銀行等の金融機関や貸し手に対して価格時点における市場価値をアドバイスすること、および、対象不動産にかかる各種の価格形成要因が市場価値に与える影響についてアドバンスすることである。
3. 評価人による報告書
上記 1 の資格を有する評価人の役割や 2 の不動産の調査における記述を踏まえて、報告書の内容は資金の貸し手によって提示された疑問の回答に限定しなければならない。 |
GN 2 - Guidance Notes on Valuations of Real Properties for Mortgage Purposes in Hong Kong

The objective of the Guidance Notes on Valuations of Real Properties for Mortgage Purposes is to provide guidance to Valuers upon preparation of valuation reports on real properties on behalf of banks or lending institutions or lenders for mortgage or financing purposes in Hong Kong.

1. THE QUALIFIED VALUER’S ROLES

1.1 The roles of the qualified Valuer are:

1.1.1 to advise the bank or lending institution or lender (hereinafter collectively referred to as “the Lender”) as to the market value of the real property(ies) at the valuation date; and

1.1.2 to advise the Lender as to the nature of the real property (see Section 4 below) and any factors likely to materially affect its market value.

1.2 It would be unusual for the Valuer to be asked to express an opinion as to the suitability of the real property as security for a loan. However the Valuer should not make a recommendation as to the amount or percentage of mortgage advance or as to the length of the mortgage term. Nor is it the Valuer’s responsibility to give advice as to the suitability of the real property for second mortgage purposes.

1.3 Where the Lender requires the Valuer to advise on the values of certain real properties, either in addition to or in place of market value, e.g. valuation of tenancy subject to the restrictions upon assignment under Home Ownership Scheme or Sandwich Class Housing Scheme, ‘surrender value’ of industrial properties located in Industrial Estates in Hong Kong subject to restrictions on assignment and underletting, etc., the Valuer should state clearly the basis of valuation adopted in the report.

2. THE VALUER’S INSPECTION

A visual and physical inspection shall be undertaken to the exterior and interior of the real property as long as the same is accessible to the Valuer (or designated staff under supervision of the Valuer) without undue difficulty. With
3. THE VALUER’S REPORT

3.1 Subject to the matters referred to in Sections 1 and 2 above, the report should be confined strictly to answering questions raised by the Lender.

3.2 If it is suspected that there exists hidden defects that could have material effect on the value of the real property, the Valuer should advise and recommend to the Lender that a more extensive investigation should be carried out. It may be appropriate in exceptional circumstances to defer making a valuation until the results of such further investigations are made known to the Valuer.

3.3 If it is not possible to carry out inspection on any substantial part of the real property, this should be stated in the report.

3.4 If there is obvious evidence of any serious disrepair, potential hazard or any other matters which may materially affect the value of the real property, this should be stated in the report.

3.5 Where the Valuer relies on information provided by others, this should be indicated in the report, so should the source of that information. With regard to the verification work to be conducted by the Valuer, it is a good practice for the Valuer to agree with the Lender prior to commencement of his valuation and to document such agreement in an engagement letter. While the scope of the verification work is to be agreed between the Valuer and the Lender, the Valuer is required to observe the Valuation Standard 5 – Verification of Information of the Standards and in no way should it give rise to a result that would mislead the Lender who reads the report.
3.6 The Lender should be informed of the existence of any apparent and significant additions, alterations and extensions so as to alert the Lender's legal adviser for any enquiries to be made. In particular, the Lender's attention should be drawn to any unauthorised structure or addition or alteration made in the subject real property or any other apparent unauthorised structures which are or could be subject to action under Section 27 of the Buildings Ordnance (Chapter 125 - Laws of Hong Kong).

The Valuer should consider the subject real property in accordance with its original approved state and disregard any premium attached to the unauthorised additions and/or alterations. Unless otherwise agreed between the Valuer and the Lender and with assistance from a registered contractor in the government, the Valuer would not consider any costs required to restore the real property to its original approved state if requested by the government authorities. The Valuer should state such assumptions in the report. If as instructed by the Lender to make any assumptions which are different from the above, the Valuer must state such assumptions in the report.

37 There are any additional requirements from a Lender in conducting valuations, subject to the agreement made between the Lender and Valuer beforehand, extra information or findings can be included in the report.

38 The format and extent of the detail of the report are a matter of the Valuer's discretion except where the report is to be provided on a form supplied by the client. The presentation of the valuation report should take into account the need for any special format and should contain the following minimum required information:

(a) the identification of the client;
(b) the purpose of the valuation;
(c) the subject of the valuation;
(d) the interest to be valued;
(e) the basis or bases of valuation;
(f) the valuation date;
(g) the status of the Valuer and where appropriate and applicable, the disclosure of any material involvement, previously or currently;
(h) the currency in which valuation is to be expressed;
(i) any assumptions, special assumptions, reservations, any special instructions or departures;
the extent of the Valuer’s inspections and investigations;
the nature and source of information to be relied on by the Valuer;
any consent to, or restrictions on, publication;
any limits or exclusion of liability to parties other than the client;
the confirmation that the valuation complies with the requirements set out in the Standards;
a statement or description of the valuation approach;
a statement of the Valuer’s professional qualification in performing the valuation;
the opinions of value in figures and words;
the name and the signature of the Valuer; and
the date of the report.

4. THE VALUATION

4.1 Unless it is made apparent by an express statement in the report and subject to paragraph 3.6 of Section 3 above, the Valuer should make the following assumptions and will be under no duty to verify these assumptions.

4.1.1 that all necessary statutory approvals for the subject real property or the building of which the subject real property forms part or their use have been obtained;

4.1.2 that no carcinogenic or hazardous materials or techniques have been used in the construction of the subject real property;

4.1.3 that the subject real property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;

4.1.4 that those parts of the subject real property which could not be inspected would not reveal material defects or cause the Valuer to alter his valuation;

4.1.5 that the subject real property is connected to main services and sewers which are available on normal terms;

4.1.6 that in the case of a real property which is under construction, the real property will be satisfactorily
completed to the standard in due course and details
as described in the latest development schedules as
contained in the sales brochure;

4.1.7 that in valuation of a strata titled real property, unless
instructed by the Lessor or otherwise aware of to the
contrary, the cost of repairs and maintenance to the
building of which the subject real property are shared
among all owners of the building, and that there are no
previous limitations outstanding.

4.2 Suggested factors to be taken into account in the valuation are:

4.2.1 the tenure of the real property - *the real property is
subject to tenancy(ies), details including lease period(s),
rental amount(s), option to renew and other relevant
conditions should be included;

4.2.2 the age, type, accommodation, location, amenities,
fixtures and finishes of the real property and other
significant environmental factors within the locality;

4.2.3 the general state of repair, the construction and apparent
major defects; and

4.2.4 the overall quality of building management of which the
real property forms part of.

4.3 In assessing the market values of strata-titled units, unless otherwise
instructed, any redevelopment potential attached to the site is to be
excluded. The Valuer would also not to include any element of value
attributable to furnishings and removable fittings of any description
when arriving at an opinion of value. Portable and temporary structures
are also to be excluded.

4.4 Market Value shall be adopted in accordance with the Standards

4.5 The valuation shall be made on the assumption that the owner sells
the subject real property on the market without the benefit or burden
of cash rebate, unusual payment terms, special incentive or any similar
arrangement which could affect the value of the subject real property.
4.8 Value for sale under repossesssion

Value for sale under repossesssion (the word ‘repossession’ means ‘the action of regaining possession especially the seizure of collateral securing a loan that is in default’) refers to the price that might reasonably be expected to realise within a defined period of time (the period shall be agreed upon between Lender and Valuer) from the sale of a real property in the market, under repossesssion by the Lender or receiver, on an ‘as is’ basis, taking into account the unique quality of the real property and the existence of any specific demand as well as factors which might adversely affect the marketability of the real property due to market perception of increased risk or stigma, justified or otherwise. It is a procedural valuation and in no way be a basis of value.

Examples where increased risk or stigma that might arise include but are not limited to the following:

(1) the need for substantial renovation and/or repairing cost owing to neglect and deterioration of physical conditions of the real property;

(2) the need for abortive expenses incurred in checking title when warranty on title is denied; and

(3) the need for completion at a short time frame.

To provide an estimate of the value for sale under repossesssion, the Valuer should:

(1) estimate the market value of the real property;

(2) discuss with the Lender or receiver on the specific risk or stigma (such as additional costs and time to obtain vacant possession, and the need for completion at a short time frame) that might have impact on the market value whilst taking into account the unique quality of the real property and the existence of any specific demand; and

(3) analyse and apply adjustment(s) to the market value of the real property by taking into account the negative impacts and to arrive at the value for sale under repossesssion independently.
5. BUILDING INSURANCE REPLACEMENT COST

In some cases, Valuers are required to give the building insurance replacement cost of the subject real property in the reports for the Lenders' reference.

The building insurance replacement cost is defined as the estimated cost of erecting the same real property or a modern substitute real property having the same area as the existing one at the relevant date, which includes site, finance costs and other associated expenses directly related to the construction of the real property. Coverage for loss of rent and other disturbances will not be included unless specifically requested by the Lender.

In producing the building insurance replacement cost in the report, should the Valuer consider himself not a qualified professional to give an accurate building insurance replacement cost of the subject real property, he should reach an agreement with the Lender prior to the issue of the report on the source of the building insurance replacement cost to be referenced and the way to use such building insurance replacement cost, and to disclose the same in the report. To avoid doubt, the HKIS considers that the qualified professional in producing the building insurance replacement cost should be a professional quantity surveyor or a firm of professional quantity surveyors in Hong Kong.

6. THE VALUER'S RECORD

6.1 The Valuer should keep a record of the source of information quoted in the report and to make and retain legible notes as to his findings and, particularly the limits of inspection and the circumstances under which it was carried out.

6.2 The Valuer should also keep a record of the comparative transactions and/or valuations to which he/she has had regard in arriving at his valuation.

7. CONFLICT OF INTEREST

Where there is any conflict or potential conflict of interest, the Valuer should disclose the facts to the Lender before acceptance of instructions. The Rules should be observed by the Members in all cases.

Where the Lender agrees the Valuer to accept the instructions under the above circumstances, the Valuer should disclose the facts clearly in the report and that the valuation is carried out impartially without bias against any parties concerned.
8. COMPLIANCE WITH THE GUIDANCE NOTES

All valuations for mortgage purposes should be made in accordance with this Guidance Notes. In cases where there are deviations from this Guidance Notes, the Valuer should notify the Lender, or be notified by the Lender, in writing. Such deviations should be clearly stated in the valuation report.

Valuers are reminded to observe their duty of care to the Lenders in performing their valuation, and the extent of liability of their valuation reports to the Lenders.
Part E: Glossary of terms used in the Standards

1. The HKIS believes that Members who prepare a report and possess specialised skills, experience, expertise and knowledge. Also, Members shall communicate the procedures to value and conclusions, in a manner that is clear and not misleading, to their clients. As such, it is advisable for the valuation profession to use commonly used terms, which definitions have been established clearly and consistently and have been widely applied in the profession to enhance consistency and develop better communication.

2. In order to enhance and maintain the professional standard of the Members in preparing the reports in accordance with the requirements set out in the Standards, the HKIS has adopted certain definitions published by various institutions, including, but not limited to, the IVSC. In this glossary, the Members are highly recommended to adopt such definitions in the reports.

3. If any Member wishes to adopt any definitions that are materially different from the definitions set out in this glossary, the Member should set out his own definitions clearly in the engagement letter and report in order to avoid misunderstandings, confusion and potential disputes.

4. The definitions set out in this glossary are not exhaustive. If there are any definitions that are not referred to in this glossary, it is recommended that the definitions be defined and elaborated precisely and clearly in an engagement letter.

appraiser See valuation

assumption A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement need not be verified by the Member as part of the valuation process. Typically, assumptions are made where specific investigation by the Valuer is not required in order to prove that something is true.

basis of valuation A description, or definition, of a value of an interest in property within a given set of parameters.

departure Circumstances where the Member considers that it is inappropriate, or impractical, for the valuation to be made wholly in accordance with the Standards.
不動産鑑定評価の国際化対応等に関する調査報告書

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