

CODE OF ETHICS OF PROFESSIONAL VALUERS

1. General

1.1. This Code of Ethics determines the basic rules and principles of professional activity of the Chamber of Professional Valuers (CPV). The Code is developed based on the Code of pattern of international Valuers Associations, following the Code of Ethic practice of the European group of Valuers Associations, the Code of Ethics of Unified Standards of professional valuers practice in the USA and the Code of Ethics of the Chamber of Independent valuers in Bulgaria.

1.2. The Code defines the ethical rules of the activity of the members of Chamber of Professional Valuers (corporate bodies or individuals) in compliance with the Law of Independent Valuers.

2. The relations between the members of CPV and the clients of their services

2.1. The members of CPV are obliged:

2.1.1. Clearly and accurately to present the assignment, the purpose and the assumed usage of the results in the valuation report;

2.1.2. To refuse the valuation in cases when the quality and timing of the work is not secure by any circumstances;

2.1.3. To present reliable data for the used sources of information in the valuation report;

2.1.4. To prepare valuation report in a language, comprehensible for the users;

2.1.5. To apply the valuers approaches and methods corresponding to the accepted by Chamber of Professional Valuers standards for valuation based on the European and International standards for this activity as far as the later are not in contradiction with the national standards;

2.1.6. To reflect all important indices (indicators) in the valuation report;

2.1.7. To substantiate all admissions and limitations used in the valuation report;

2.1.8. To present sufficient information in the valuation report, necessary to describe the accomplished work, the achieved conclusions and the conditions, in which they had been formed;

2.1.9. To give arguments for the co-ordination of the valuation results, received by the application of various approaches;

2.1.10 to interact conscientiously in regard to the legal interests of the user of the valuation service and the usage of confidential information;

2.1.11. Not to include a confidential data of the Assignor in the valuation report without explicit consent of the latter;

2.1.12. To accomplish the valuation work based on the principles of independency, objectivity, without personal interest;

2.2 In regard to the clients of valuation services, the members of CPV CANNOT:

2.2.1. Mislead the consumer of the valuation services concerning the valuation result, the reputation, the level of competency and professional qualification of the CPV' member and the possible use/application of the valuation result;

2.2.2. Use consciously incorrect, misguided and/or overstated statements in order to secure the assignment of the task;

2.2.3. Prepare a valuation when obtaining the necessary information is not possible, unless it is explicitly agreed in the assignment and indicated in the valuation report;

2.2.4. Accept an assignment for valuation, which includes preliminary certain opinions and conclusions for the valuation result;

2.2.5. Substantiate results from the valuation of the information given by the client, without additional verification from independent source, unless it is explicitly pointed in the assumptions restricting conditions of the valuation;

2.2.6. Prepare a valuation based on hypothetical conditions (assumptions) which cannot be accomplished in a reasonable timely manner unless it is explicitly agreed in the assignment and indicated in the valuation report. The valuation report should contain clear and synonymous descriptions of accepted assumptions, which are the base for achieving the valuation result;

2.2.7. Use any kind of prejudiced conclusions for the valuation, or to express an opinion in the report that such prejudiced conclusions are necessary for achieving the valuation result;

2.2.8. Conceal/hide or ignore authentic facts, refuting or not connected to the concept of valuation

2.2.9. Prepare a valuation report containing incorrect, false or misinterpreted conclusions and analyses;

2.2.10. Manifest premeditation or self-interest to the valuation result;

2.2.11. Bind the remuneration with the valuation result, advices or recommendations, included in the valuation report;

2.2.12. Perform actions that could question the independency and the objectivity of the CPV members;

2.2.13. Reveal data of vital importance received by the client, and/or valuation result, to any party except to the individuals, explicitly pointed by the client and indicated in the valuation report with exception of the cases, when it is required by the law.

3. Relations with other valuers

3.1. THE MEMBERS OF CPV ARE OBLIGED:

- 3.1.1. To observe the rules of honest and diligent competition, based on qualified and professional valuation services;
- 3.1.2. To comply with the norms of professional consciousness, honesty, loyalty, competency and respect in the interrelation with other valuers;
- 3.1.3. To respect the interests of the other valuers;
- 3.1.4. To take an active position against professional unconscientiousness of the valuers;
- 3.1.5. To stand for the norms of the free and constructive criticism with respect to the opponent;
- 3.1.6. To express unprejudiced opinion when reviewing the valuation reports prepared by other valuers, by presenting grounded arguments in favour or against the achieved results in the valuation.

3.2. THE MEMBERS OF CPV CANNOT:

- 3.2.1. Grant unreliable information for the professional abilities of other valuers;
- 3.2.2. Violate the rights for intellectual property, in particular the copyrights;
- 3.2.3. Criticise the professional practice of other valuers without any groundless;
- 3.2.4. Cultivate the contradictions between the valuers based on personal ambitions;
- 3.2.5. Publish opinions discrediting the competitors;
- 3.2.6. Express an opposed opinion in the mass media with incorrect phrases and tone.

4. Conflict of interests

- 4.1. The members of CPV have no right to prepare a valuation on one and the same object, at the same time, for two or more assignors, without the explicit written consent of all parties;
- 4.2. The members of CPV have to take all preventive measures in order not creating a conflicts of interests among his/hers clients, the valuers, the valuation company, relatives and other individuals connected. The potential conflict of interest should be exposed explicitly, in writing, before the agreement for valuation services is signed. If the information for the potential conflict has become known to the member of CPV during or after the completion of the valuation, the latter should announce it in a due time.

5. Competency. Professional qualification

5.1. THE MEMBERS OF CPV ARE OBLIGED:

5.1.1. To secure sufficient professional level of the offered valuation services;

5.1.2. To be competent in the field of valuation and to possess the necessary knowledge and ability in order to fulfil conscientiously and professionally the assigned task following accepted valuation standards by CPV;

5.1.3. To clarify to the client of the valuation services the specific requirements of the valuation standards and/or other applied standards and requirements which influence the conclusion of the valuation;

5.1.4. To maintain constantly their professional qualification in the field of valuation activity, to have a good knowledge and to apply professionally the methods and approaches for valuation according to the valuation standards accepted by CPV and other applicable standards;

5.1.5. When using external collaborators for preparation of the valuation, to make sure that the latter possess the necessary professional qualification and respect the ethical norms;

5.1.6. To prepare a draft file for each completed valuation which contains the original exemplar of the valuation, in a hard or electronic copy, supporting documents, correspondence, and other documents, connected with the valuation and its conclusion;

5.1.7. To keep the draft file for each completed valuation for the period of at least 5 years.

5.2. THE MEMBERS OF CPV CANNOT:

5.2.1. Prepare valuations, which complexity or field are out of their competency and scope of knowledge, with exception of the cases when the user of the services has been explicitly warned and informed before the beginning of the valuation and this is reflected in the contract and in the valuation report and the CPV member has done everything possible for the full and competent accomplishment of the valuation.

5.2.2. To continue the valuation work, when during the process of its accomplishment, it turns out that they do not possess the necessary qualification and/or experience for its execution.