Australian Property Institute Limited

RULES OF PROFESSIONAL CONDUCT

Reference	Rules of Professional Conduct
Effective	1 September 2024 | Earlier adoption is permitted and encouraged
Owner	API Board

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Rules of Professional Conduct

Preamble

The Rules of Professional Conduct (*Rules*) embody both an interpretation and application of the Code of Ethics (*Code*) of the Australian Property Institute Limited (*API*), as determined by the Board, and identify the minimum standard of professional conduct expected of all *Members.* To the extent of any inconsistency between the *Code* and the *Rules,* the *Rules* will take precedence.

The *Rules* do not attempt to provide a detailed or exhaustive list of what to do in every situation. Instead, the *Rules* represent a framework for professional conduct to guide *Members* and inform those who interact with and engage the *professional services* of *Members*. *A Member* who is in any doubt about conduct that has, or could breach the *Rules,* may seek advice from the *API*. A *Member* may also seek independent advice, including legal advice, about a breach or possible breach.

As a member association the *API* is an organisation for *property professionals* in Australia. The *API's* membership consists of *property professionals* who are *Valuers* and non-valuers. The *Rules* and the *Code* aim to protect the public interest and build trust in the *Members* of the *API* by maintaining public confidence in the professional conduct and ethical standards of all *API Members*.

Rules 1 to 9 apply to all *Members*, with Rules 10 to 17 applicable to *Valuers.*

Individual paragraphs, sentences or parts of the *Rules must* not be read and/or applied in isolation. The whole of the *Rules must* be read and applied in the context in which they are written.

Members of the *API must* comply with the *Rules* applicable to them regarding the *professional service(s)* provided by them. A breach of the *Rules*, after proper investigation and determination by the API Professional Conduct Committee, may constitute professional misconduct.

An investigation of any alleged breach will be made by the *API* and such investigation will be in accordance with the procedures outlined in API Policies[1]. Any investigation by the API must be completed with procedural fairness and having regard to principles of natural justice including the principle of audi alteram partem[2].

The Board can approve additional rules including rules that will apply to specific membership categories and/or certifications from time to time.

The Rules of Professional Conduct is effective from 1 September 2024. The API permits and encourages earlier adoption.

[1] The API Professional Conduct Policy which is available on the API website.

[2] Audi alteram partem is a Latin phrase meaning "listen to the other side", or "let the other side be heard as well". It is the principle that no person should be judged without a fair hearing in which each party is given the opportunity to respond to the allegations and evidence against them and is an important consideration in determining if natural justice has been applied.

Interpretations

In the *Rules*, unless the context otherwise requires:

(a) the rule headings or sub-headings and index to these *Rules* are for convenience and navigation purposes only and shall not be used in the interpretation of the *Rules*;

(b) a cross-reference to a rule number shall be a reference to all of its sub-clauses;

(c) words importing the singular shall be deemed to include the plural and vice versa;

(d) written communication refers to any mode of representing or reproducing words in a tangible and permanently visible form and includes electronic transmissions; and

(e) a reference to any law, legislation, regulation, and or other statutory obligation (*law*), is a reference to the *law* current at the time that the *professional services* are carried out by the *Member.*

Definitions

The definitions below and elsewhere in the *Rules* have been included for interpretation and understanding of certain stated terms used within these *Rules*. Whilst defined terms may have a common meaning or interpretation their use in these *Rules* may have a different meaning and take precedence.

Where a defined term is included, in these *Rules,* it is identified as an *italicised* term. Where not italicised the ordinary meaning of the word applies in the context in which it is used.

'advocate' means a *Member* who is engaged, either for reward or not, by a third party, to support the interests of that third party or someone on behalf of that third party in a way that the third party wishes to put its position regarding those interests.

Advocating can include, without limiting the generality therein, providing submissions on behalf of the third party to a deciding party, which is clearly categorized or understood as taking sides, with the third party and as such the third party's interests.

For the purpose of interpreting the definition of *advocate*, a third party means a party or "other entity on behalf of the third party" (*other entity*) who engages a Member for reward or not to support the interests of that third party or *other entity* in a way that the third party and or *other entity* wishes to put its or their position regarding those interests.

'client' means any person including the client's representative or other entity authorised by the *Member* to rely on the "written report, opinion or advice" (*report*).

Reliance as authorised by the *Member* will only be for the sole purpose as agreed in writing between the *Member* and the *client*.

If the *client* requests reliance on the *report* be permitted to any other party, and for the same purpose as agreed by the *Member* such reliance by the other party will only be permitted by the *Member* at the *Member's* sole discretion. Such reliance is only permitted after the *Member* has expressly authorised in writing that other party can rely on the *report*. Such permission may be given on additional terms and conditions as agreed by the *Member*.

The *client* may give written authority to a representative of the *client* to instruct and receive communications to and from a *Member*. The representative may not be permitted by the *Member* to rely on the *report*.

'conflict of interest' occurs when a person could perceive that an entity or individual's professional obligations to their *client* may be compromised due to:

(a) having obligations to two or more parties that are in conflict; or

(b) the entity or individual has acted in a matter where personal knowledge is gained of another party that conflicts with the *client's* (or potential *client's*) interest; or

(c) there being a pre-existing personal or business relationship with a party that conflicts with the *client's* (or potential *client's*) interest.

For the purpose of interpreting the definition of *conflict of interest*, a party includes an individual, employer, *client* or any other entity.

'***co-signatory***' means a *Member* who applies their signature (including an electronic signature) to a document to be jointly bound by, accept, and take responsibility for all the contents of a document.

'***counter-signatory***' means a *Member* who applies their signature (including an electronic signature) to a document for the purpose of authenticating the validity of the document and/or when appointed as a *Supervising Member*.

'***CPV***' means the *API's* certification of Certified Practising Valuer.

'***CPV (Residential)***' means the *API's* certification of Certified Practising Valuer (Residential).[3]

'***desktop***' means an evidence-based *desktop process* for assessing the *value* of a tangible asset as at a specified date but does not include a physical inspection (of any kind) of the asset by the *Valuer*.

'***desktop process***' means an evidence-based process which results in a *desktop report* containing an *indicative value* of a tangible asset as at a specified date, based on the *Valuers* knowledge, research, experience and expertise together with "relevant data and inputs" (*information*) relating to the asset provided by other parties or sourced by the *Valuer,* but does not include a physical inspection (of any kind) of the asset by the *Valuer*.

'*desktop report*' means a *report* that has been prepared by a *Valuer* following a *desktop process*.

'***draft valuation report***' (as referred to in *Review*) means a *valuation report* prepared by a *Primary Valuer* following the *valuation process*, but prior to its release/delivery to the *client* and/or another party on the *client's* behalf**.**

'expert' means a *Member* who has the *skill* to provide their independent, objective, and unbiased professional opinion.

'indicative value' means a qualified opinion by a *Valuer,* of the *value* of a tangible asset where the scope of work is limited or restricted such that the *Valuer* does not undertake all the necessary enquiries, investigations, procedures and processes to fully inform the *Valuer*'s reasoning and analysis that is a prerequisite for a *valuation*.

'***Member***' means a member of the *API* under the Membership Policy which may include;

- Student Member
- MAPI membership
- Provisional Member (PMAPI)
- Associate (AAPI)
- Fellow (FAPI)
- Life Fellow (LFAPI)

[3] Refer to Rule 17 for details of restrictions on valuation services a CPV (Residential) is permitted to provide.

'***must***' indicates an unconditional responsibility to follow/comply with all that is prescribed or required and described within these *Rules*.

'***Primary Valuer'*** means a *Valuer* who personally and physically inspected the tangible asset, and undertook all the necessary enquiries, investigations, procedures and processes to complete the *valuation* and who has assumed responsibility for completing the *valuation* and the opinions contained in the *valuation report* and;

1. in the case of a real property valuation, is;
    (a) a Provisional Member of API with RPV – PMAPI RPV, or
    (b) an Associate Member of API with CPV (Residential) – AAPI CPV (Residential), or
    (c) an Associate Member of API with CPV – AAPI CPV, or
    (d) a Fellow Member of API with CPV – FAPI CPV, or
    (e) a Life Fellow Member of API with CPV – LFAPI CPV.
2. in the case of a plant, machinery, and equipment valuation, is;
    (a) an Associate Member of API with CPV (P&M) – AAPI CPV (P&M), or
    (b) a Fellow Member of API with CPV (P&M) – FAPI CPV (P&M), or
    (c) a Life Fellow Member of API with CPV (P&M) – LFAPI CPV (P&M).

'professional services' means professional services provided by *Members* in compliance with:

(a) their API membership category and certification; and
(b) the instructions for the professional services, agreed between the *Member* and the *client.*

'property professional' means all API *Members*.

'report' means any written report, opinion or advice prepared by a *Member* in response to an instruction from a *client* to provide *professional services*.

'***Review***' means the process where the *Supervising Member*:

- has reviewed the *draft valuation report* and the relevant working papers; and
- based upon the *Review* and appropriate questioning of the *Primary Valuer* who undertook the *valuation*, is satisfied that there is a reasonable basis for the *valuation* process undertaken and the *valuation* methodology adopted by the *Primary Valuer***.**

'***RPV***' means the *API's* certification of Residential Property Valuer. [4]

'***should***' indicates responsibilities that are presumptively mandatory. The *Member must* comply with requirements of this type unless the *Member* is able to demonstrate that alternative actions and processes were sufficient to achieve the objectives of these *Rules*.

Such "demonstrations" by the *Member* should be expressly referred to, by the *Member* in any *report,* by stating the basis upon which alternative actions and processes were taken together with evidence in support of such alternative actions and processes.

In circumstances in which a *Member* believes the objectives of these *Rules* can be met by alternative means, the *Member must* disclose in the *report*, why the indicated action and process under these *Rules* was not deemed necessary and/or appropriate to be followed.

If a *Rule* outlines an action or process that the *Member* should follow, consideration of the action or process is presumptively mandatory, while the action or procedure is not.

[4] Refer to Rule 16 for details of restrictions on valuation services a PMAPI RPV is permitted to provide.

'***skill***' means the minimum level of professional standards to which a *Member must* operate, based on their qualifications, *API* certifications, knowledge, expertise and experience.

'***Supervising Member***' means a *Valuer* who holds *CPV* and has been appointed by the firm to undertake the *Review* of, and countersign, the *valuation report*.

*'**valuation***' means an established evidence based *valuation process* for assessing the *value*, including but not limited to market value and market rent, of a tangible asset as at a specified date following a physical inspection of the asset by the *Primary Valuer*.

*'**valuation process**'* means all the necessary enquiries, investigations, procedures and processes including the physical inspection of the tangible asset by the *Primary Valuer*, which is a pre-requisite for a *valuation*, required to fully inform the *Valuer's* reasoning and analysis in accordance with the practice accepted as proper by the *API*.[5]

'***valuation report***' means a *report* that has been prepared by a *Primary Valuer* following a *valuation process*.

*'**value**'* means the *Valuer's* opinion of value, in monetary terms, for a tangible asset as a result of a *valuation process* or *desktop process* as at a specified date.

*'**Valuer**'* means a *Member* who holds *API* certification of *CPV*, *CPV (Residential), CPV (P&M)* or *RPV*.

[5] *Members* who are in any doubt as to practice accepted as proper should seek advice from the *API*.

1. Professional and Personal Conduct

1.1. A *Member must* undertake their *professional services* ethically, with honesty, and in good faith, without personal bias, and in a manner which upholds the values and reputation of the *API*.

1.2. A *Member must* comply with any applicable *law* when undertaking *professional services*.

1.3. A *Member must* comply with the relevant *Rules* applicable to their relevant membership category, as amended from time to time.

1.4. A *Member* must not falsify or misrepresent their professional qualifications, *API* membership category, certifications or professional expertise and experience.

1.5. A *Member* must not include false or misleading claims in any advertisement for their services.

1.6. A *Member must* operate within the limits of their *skill* and must not:

(a) accept instructions in a field of practice nor in a market in which they possess insufficient *skill* to provide *professional services* to the *client*, unless the *Member* obtains fully informed written consent from the *client* to undertake the *professional services* in conjunction with a person, including another *Member* having the required *skill;* or

(b) give instructions to another *Member* who does not have the required *skill* to undertake the *professional services* without appropriate supervision from another *Member* having the required *skill.*

1.7. A *Member must* obtain or confirm in writing and maintain a record of all instructions and variations of instructions of the *client* or the *client's* representatives.

1.8. A *Member must* properly supervise and verify all services undertaken for and on behalf of the *Member* prior to the completion and delivery of the *professional services*.

1.9. A *Member must* take such steps reasonably necessary and specifically required by the *API* to continually maintain and improve their knowledge and skill in the fields in which they are certified to practice.

1.10. A *Member* must not provide any *report* or make any statement, without a reasonable basis unless the *report* or statement is appropriately qualified or limited and such qualification or limitation brought to the attention of the *client*.

1.11. A *Member must* complete the *professional services* required by the agreed instructions to the *Member*, unless:

(a) the *Member* and the *client*, have otherwise agreed in writing that the *professional services* are not to be completed;

(b) the *Member* is discharged from completing the *professional services* in writing by the *client;* or

(c) the *Member* terminates the instructions for just cause, with reasonable written notice to the *client* expressing the reasons why the *Member* is terminating the instructions.

1.12. A *Member* must not, during, or after termination of agreed instructions, disclose to any other person, who is not a director, partner of or employed by the *Member's* firm anything about the instructions, termination of the instructions including any confidential information provided directly or indirectly by the *client* or on the *client's* behalf, and then only where that director, partner or employee of the *Member's* firm is equally bound, unless:

(a) the *client* authorises the disclosure in writing;

(b) the *Member* is permitted or compelled by *law* to disclose;

(c) the *Member* discloses information for the sole purpose of avoiding the probable involvement in, engagement or concealment of a criminal offence; or

(d) it is reasonably necessary to reply to or defend any charge or complaint in relation to carrying out the agreed instructions or regarding allegations of professional misconduct brought against the *Member,* director, partner, or employee of the *Member's* firm.

1.13. A *Member* must not use confidential information obtained by or given to the *Member* for any purpose other than the purpose to which the provider of the information agreed.

1.14. Fees and terms can be negotiated with a *client* on an agreed basis, provided however that the fees payable to a *Member* must not depend upon a *client*-nominated outcome.

1.15. Where information critical to the *professional services* being undertaken and completed is relied upon by a *Member*, the source of that information *must* either be disclosed in the *report* or contained in the working papers supporting the *report* and be appropriately attributed in either case, unless the information is protected by confidentiality, or the *Member* is prevented by *law* including but not limited to privacy *law* from disclosing or referring to the source. The Member may be required to seek and obtain approval prior to the use, reliance and/or reproduction of the critical information.

1.16. A *Member* must not directly or indirectly exert undue pressure or influence on any persons, whether by the offer or provision of any payment gift or favour or otherwise, for the purpose of securing instructions for work.

1.17. A *Member* should consider whether to accept or proceed with an instruction where there is reason to believe that undue pressure or influence may or will be exerted by the *client,* employer or any other party.

1.18. A *Member* must not directly or indirectly exert undue pressure or influence on any other *Member* whether to provide or continue providing *professional services*.

2. Relationships with Clients

2.1. A *Member must* attempt to meet the service timeline within the agreed instructions.

2.2. A *Member must* inform the *client* within a reasonable time frame if there is, or is likely to be, a delay in providing/completing *professional services*.

2.3. A *Member* should, in the case of joint instructions, communicate to all *clients* at the same time.

3. Conflict of Interest

3.1. A *Member* should take reasonable steps to identify circumstances that could be perceived as a *conflict of interest*.

3.2. In any dealings with a *client*, a *Member* should make appropriate endeavors to ensure that any real, perceived, or potential *conflict of interest* does not arise between the *Member*, or an associate of the *Member*, and the *client*.

3.3. A *Member must*, where any real, perceived, or potential *conflict of interest* has arisen or can arise, whether prior to accepting the instruction, or where the *conflict of interest* becomes evident during the provision of *professional services*, bring this to the attention of the *client,* within a reasonable time frame.

3.4. Subject to Rules 3.5 and 3.6, a *Member must* not accept instructions from a *client* or continue to provide *professional services* to a *client* where the provision of those services is likely to create a real, perceived, or potential *conflict of interest*.

3.5. Where a real, perceived, or potential *conflict of interest* arises, or where a *Member* identifies circumstances that could be construed as a *conflict of interest*, the *Member must*:

(a) inform the *client*, and any other interested party, in writing, of the real, perceived, or potential conflict of interest prior to accepting or completing the *professional services* and cease working on the instruction unless to do so might prejudice the *client* in which case the *Member* should seek legal advice as to how to proceed from that point;

(b) immediately recommend that the *client* obtain independent professional advice;

(c) decline proceeding with the instruction unless Rule 3.6 is complied with.

3.6. A *Member should* only accept the *client's* instructions to continue to act for the *client* if, after informing the *client* in writing as per Rule 3.5, all the following conditions are met:

(a) the *client* provides a written confirmation of their instructions with an acknowledgement and acceptance of the real, perceived, or potential *conflict of interest*; and

(b) any other interested party also provides confirmation that the *Member* and the *Members'* firm may accept the instructions or continue to provide the professional service to the *client*; and

(c) the *Member* is personally satisfied that any real, perceived or potential *conflict of interest* is ameliorated; and

(d) the *Member* discloses the *conflict of interest* in any *report* or other document prepared for the *client* relating to that matter.

3.7. A *Member must* not accept a payment or favour from any party if the payment or favour may create a real or perceived conflict for the *Member* prior to agreeing to proceed, during or post completion of the *professional services*.

3.8. A payment or favour can only be accepted where it relates to the provision of the *professional services* by the *Member*, and the circumstances are fully disclosed to and consented to by all parties.

4. Impartiality

4.1. *Members must* maintain the strictest independence and impartiality when providing *professional services* and/or where the exercise of objective professional judgement is required. A *Member* should not:

(a) adopt the role of *advocate* in a case where their duty is to exercise independence and impartiality particularly when engaged to act as an independent *expert*;

(b) act as an *advocate* and as an *expert* in the same matter;

(c) act as an *advocate* in a matter where another person from the same organisation or firm or having the same employer as the *Member*, is acting as an *expert* in the same matter;

(d) act as an *expert* in a matter where another person from the same organisation or firm or having the same employer as the *Member,* is acting as an *advocate* in the same matter;

(e) allow the performance of their professional duties to be improperly influenced by the interests, needs or preferences of a *client* or other party;

(f) use or rely upon *information* provided to, or sourced by the *Member*, without appropriate qualification, identification and attribution of the source; or

(g) act in any way inconsistent with displaying independence and impartiality.

5. Members and the API

5.1. *Members must* not say or do anything that purports to represent the views of the *API* unless expressly authorised by the *API* to do so.

5.2. *Members must* not maliciously or carelessly say or do anything to injure or potentially injure, directly or indirectly, the reputation or business of other *Members* or the *API*.

5.3. When dealing with the *API, Members must* be frank, respectful, and honest and subject to any requirement set out in any API Policy.

5.4. A *Member must* fully cooperate with any request for information or any directive from the *API* in relation to a complaint or disciplinary matter that has been raised with the *API*.

5.5. A *Member must* notify the *API* of any finding of professional misconduct against the *Member* in relation to *professional services* undertaken where such finding of professional misconduct specifically alleged a breach of these *Rules*; but excluding notifiable events under the *Member's* corporate employers Professional Indemnity Insurance Policy.

6. Plagiarism

6.1. A *Member* must not use, rely on, reproduce, paraphrase, or summarise any work, words, ideas, processes, results and/or intellectual property that is not their own without explicitly and expressly identifying and acknowledging the source and, if appropriate, seek prior approval for such use, reliance and reproduction.

7. Disclosure Requirements

7.1. Where all facts or information have not been ascertained or verified, written disclosure of this, together with a statement of the extent in the *report*, if any, to which:

(a) the failure to ascertain or verify the facts or information in question qualifies or affects the *report* provided; or

(b) the *report* provided relies on the opinion from other sources.

7.2. A *Member must* disclose in any *report*, the extent of their involvement and the capacity in which they are signing the *report*.

8. Maintaining Records

8.1. A *Member must* retain in a place of safe keeping including by any technological means, adequate records used to substantiate and record the preparation and completion of all *reports*, all instructions, variations or amendments to instructions from the *client* or the *client's* representative, and all other records and information on which the *Member's professional services* were based.

8.2. Records *must* be kept pursuant to the requirements under law, legislation or statutory regulation.

9. Departure Provisions

9.1. Where a *Member* considers that a circumstance exists that warrants the departure from any of the *Rules*, the *Member's report must* include a written statement that:

(a) identifies the departure;

(b) the reasoning for the departure; and

(c) outlines any impact that the departure may have had on the *report*.

10. Valuations

10.1. *Valuers* undertaking *valuations must* comply with the International Valuation Standards (*IVS*) published by the International Valuations Standards Council (*IVSC*) applicable as at the valuation date. The *API* has adopted the *IVS* in full.

10.2. *Valuers must* also comply with all applicable legal, legislative requirements and any *Member* obligations published or adopted by the *API* and applicable at the valuation date.

10.3. When signing a *valuation report* a *Valuer,* including any *co-signatories*, *must* state their *API* membership category and certification held and the extent of their involvement and the capacity in which they are signing the *valuation report***.**

10.4. A *Member* who is appointed as a *counter signatory* of a *valuation report must* state their *API* membership category and certification held and the extent of their involvement and the capacity in which they are signing the *valuation report*.

11. Valuation Process

11.1. This *Rule* is applicable to *Valuers* undertaking *valuations* of tangible assets including real property, and plant, machinery and equipment.

11.2. A mandatory requirement of the *Primary Valuer* when undertaking a *valuation* is a physical inspection of the tangible asset.

The physical inspection *must* be in the form of:

(a) a comprehensive physical inspection of the asset(s) by the *Primary Valuer*; or

(b) a limited (or partial) on-site physical inspection of the asset(s) by the *Primary Valuer*; or

(c) a limited off-site (kerbside) physical inspection of the asset(s) by the *Primary Valuer.*

11.3. When undertaking a *valuation,* a *Valuer*, who is a *Primary Valuer*, *must* complete inspections and other processes to enable that *Valuer* to:

(a) satisfy themselves that all the requirements of the *valuation process* have been undertaken; and

(b) complete the *valuation* in accordance with practice accepted as proper by the *API* and requisite for *valuation process* as set out in in the *Rules*.[5]

11.4. If the asset is subject to a less than comprehensive inspection by a *Valuer,* who is a *Primary Valuer,* and only subject to a limited on-site or limited off-site inspection by that *Primary Valuer*, in accordance with the written instructions from the *client*, or the *client's* representative, the *Primary Valuer must* disclose in the *valuation report*:

(a) that the asset was subject to a less than comprehensive inspection by the *Primary Valuer* and only subject to a limited on-site or limited off-site inspection in accordance with the written instructions from the *client* or the *client's* representative; and

(b) the effect that undertaking a less than comprehensive inspection of the asset and only carrying out a limited on-site or limited off-site inspection may have on the opinion of *value* contained in the *valuation report*.[6]

11.5. When undertaking a *valuation*, a *Primary Valuer must* take reasonable steps to:

(a) ascertain and verify the *information* as a *Valuer* should when undertaking a *valuation*;

(b) obtain, compile, and appropriately verify sufficient relevant facts and data to ensure the Valuer can conclude all reasoning and analysis to allow that *Valuer* to reach an opinion of *value*; and

(c) in the absence of, or deficiency in, sufficient relevant facts and data, explain in the *valuation report* the basis on which the opinion is formed and any limitations in the *valuation* which could affect reliance upon the *valuation report*.

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5 *Members* who are in any doubt as to practice accepted as proper should seek advice from the *API*.

6 A limited inspection may result in a *valuation* that is not an IVS compliant valuation as the limitations on enquiries, investigations, procedures and processes informing the *Valuer's* reasoning and analysis, do not permit the *Primary Valuer* to sufficiently evaluate all the inputs, assumptions and/or qualifications requisite in the *valuation process*.

11.6. A *Valuer*, who is a *Primary Valuer*, *must* disclose in the *valuation report*:

(a) details of the extent/form of physical inspection, of the asset, undertaken by that *Valuer*;

(b) the inspection date and the relevant (specified) valuation date;

(c) the degree of any reliance on the *information* and opinion of others;

(d) details of all assumptions made in arriving at an opinion of *value*;

(e) any requirements, qualifications or limitations arising from the *client's* instructions;

(f) any qualifications or limitations arising due to any other circumstances;

(g) any recommended further action that should be undertaken by the *client* prior to any reliance on the *valuation report*; and

(h) anything the *Valuer* is of the opinion should be drawn to the attention of the *client* prior to any reliance on the *valuation report*.

11.7 A *Valuer*, who is the *Primary Valuer*, should, unless otherwise instructed, disclose in the *valuation report*:

(a) the reasoning and analysis that the *Valuer* undertook to complete the *valuation;*

(b) details of the source of *information* and opinion of others, used and relied upon, in forming the opinion of *value*; and

(c) where *information* has not been ascertained or verified, written disclosure of this, together with a statement of the extent, if any, to which the inability to ascertain or verify the *information* in question qualifies or affects the opinion provided.

12. Desktop Process

12.1. This *Rule* is applicable to *Valuers* providing *desktops* of tangible assets without a physical inspection (of any kind) of the asset by the *Valuer*.

12.2. A *desktop* does not meet the requirements of Rules 10 and 11 and is not an IVS compliant valuation as it can only result in an *indicative value*.

12.3. Prior to completing a *desktop*, a *Valuer* should have sufficient knowledge and experience gained from undertaking *valuations* on the same or similar asset class in the relevant market.

12.4. When completing a *desktop*, a *Valuer*, *must* perform the necessary investigations and processes to permit the *Valuer* to:

(a) satisfy themselves that the requirements of the *desktop process* have been performed, and

(b) complete the *desktop* in accordance with practice accepted as proper for a *desktop process* as set out in the *Rules.*

12.5. When completing a *desktop report* in accordance with the written instructions from the *client*, or the *client's* representative, the *Valuer must* take reasonable steps to:

(a) ascertain and verify the *information* as a *Valuer* should when performing a *desktop*.

(b) obtain, compile and appropriately verify sufficient relevant facts and data to ensure the *Valuer* can conclude all reasoning and analysis to allow the *Valuer* to form their qualified opinion; and

(c) in the absence or deficiency of relevant facts and data, explain in the *desktop report* the basis on which the qualified opinion is formed and any limitations in the *desktop process* which could affect reliance upon the *desktop report*.

12.6. A *Valuer* who performs a *desktop* in accordance with the written instructions from the *client*, or the *client's* representative, *must* disclose in the *desktop report*:

(a) that an asset was not physically inspected by the *Valuer*;

(b) the relevant (specified) assessment date;

(c) the degree of any reliance on the *information* and opinion of others;

(d) details of all assumptions made in arriving at the qualified opinion;

(e) any requirements, qualifications or limitations arising from the *client's* instructions;

(f) any qualifications or limitations arising due to any other circumstances;

(g) any recommended further action(s) that should be undertaken by the *client* prior to any reliance on the *desktop report*;

(h) anything the *Valuer* is of the opinion should be drawn to the attention of the *client* or the client's representative prior to any reliance on the *desktop report*; and

(i) the effect that no inspection of an asset by the *Valuer* may have on the qualified opinion contained in the *desktop report*.[7]

12.7. A *Valuer* who undertakes a *desktop* in accordance with the written instructions from the *client*, should, unless otherwise instructed, disclose in the *desktop report*:

(a) the reasoning and analysis that the *Valuer* undertook to complete the *desktop*;

(b) details of the source of information and opinion of others, used and relied, upon in forming the qualified opinion; and

(c) where information has not been ascertained or verified, written disclosure of this, together with a statement of the extent, if any, to which the inability to ascertain or verify the information in question qualifies or affects the qualified opinion provided.

7. A qualified opinion provided in a *desktop report* is an *indicative value* and not an IVS compliant valuation as the limitations on investigations, enquiries, procedures and processes informing the Valuer's reasoning and analysis do not permit the *Valuer* to sufficiently evaluate all the inputs, assumptions and/or qualifications requisite in the *valuation process*.

13. Plant, Machinery and Equipment Valuations

13.1. When undertaking a *valuation* or *desktop* of plant, machinery and equipment a *Valuer must* comply with these *Rules* as applicable for the *professional services* undertaken.

13.2. Appropriate procedures can include:

(a) Inspection of a representative sample of the assets where:

(i) the *professional services* includes a large population or similar assets or asset types;

(ii) the assets that are not inspected are relatively immaterial in the context of the overall engagement; and

(b) The review and comparison of various data sources that include but are not limited to:

(i) fixed asset registers;

(ii) maintenance databases and records;

(iii) lease/rental documents; and

(iv) purchase invoices.

14. Statutory Valuations

14.1. *Valuers* undertaking rating and taxation valuations for/or on behalf of a statutory body, *must* comply with the requirements of the statutory body and all applicable *law*.

14.2. Rating and taxation valuations of property *must* also be undertaken in accordance with these *Rules* unless the requirements of the statutory body or *law* require otherwise.

15. Student and Provisional Members without RPV

15.1. Student Members can assist in undertaking a *valuation*, *desktop* or insurance assessment including assisting in the preparation of a *report*, but they *must* not undertake a *valuation*, *desktop* or insurance assessment in their own right.

15.2. A Student Member *must* not sign a *report*, in any way that identifies them as a valuer taking responsibility for any part of a *report*.

15.3. A Provisional Member (PMAPI) who does not hold the certification of *RPV* can assist in undertaking a *valuation*, *desktop* or insurance assessment including assisting in the preparation of a *report*, but they *must* not undertake a *valuation*, *desktop* or insurance assessment in their own right. This assistance could include co-inspecting with a *Primary Valuer*.

15.4. A PMAPI who does not hold the certification of *RPV must* not sign a *report* in any way that identifies them as a valuer taking responsibility for any part of the *report*.

16. Provisional Members with RPV

16.1. A PMAPI who holds the certification of *RPV* (PMAPI RPV) can undertake a *valuation* or *desktop* of *residential property* as defined below in Rule 16.5 provided it is not for a 'purpose' described in Rule 16.6.

16.2. A PMAPI RPV undertaking a *valuation must* comply with Rules 10 and 11 and the *valuation report* must be subject to a *Review* and be counter-signed by a *Supervising Member*.

16.3. A PMAPI who holds the certification of *RPV* (PMAPI RPV) can undertake a *desktop* of *residential property* as defined below in Rule 16.5 provided they comply with Rule 12.

16.4. The requirement for a *Review* and counter signatory by a *Supervising Member* does not apply where a PMAPI RPV undertakes a kerbside assessment in accordance with the API Restricted Assessment Supporting Memorandum.

16.5. For the purposes of this Rule *residential property* means:

(a) vacant land on which the construction of a single dwelling is not prohibited by *law*;

(b) land, or a lot, on which there is not more than two dwellings (either existing or during construction) and any other improvements incidental thereto;

(c) rural residential land where there is a dwelling entitlement;

(d) a single residential lot (either existing or proposed) in a strata scheme or other group title scheme;

(e) or a single residential "company title" apartment which is covered under the exemption provided to the API by ASIC;

PROVIDED however that:

(f) the highest and best use of the real property must be residential; and

(g) there are strictly only residential use(s) on the property; and

(h) the highest & best use of the land or lot is not subdivision into more than two lots; and

(i) the land does not contain more than two dwellings, whether or not self-contained, held under single ownership; and

(j) the land is not within a retirement village, nursing home (or similar); and

(k) the land is held under freehold title, except for:

- leasehold property in the ACT; or
- land held under a perpetual crown lease at a peppercorn or similar rental; and

FURTHER does not include:

(l) an estimate of the *value* of common property within a residential strata scheme (or similar);

(m) an estimate of the *value* of residential timeshare interests; or

(n) a unit or lot entitlement assessment (including a proposed unit or lot entitlement assessment) under a strata scheme or other group title scheme comprising more than two dwellings (either existing or during construction) and other improvements incidental thereto.

16.6 For the purposes of this Rule a *valuation* or *desktop* of a *residential property* may be undertaken by a PMAPI RPV for any purpose other than any the following:

(a) an estimate of the *value* of *residential property* for compensation or resumption purposes;

(b) a costing estimate/*report* for insurance purposes on behalf of an owner's corporation for a strata scheme (or similar); or

(c) an estimate of the *value* of a *residential property* for the purposes of providing any expert evidence to a Court or Tribunal (or similar) or Family Law Court related valuations.

17. Associate Member with CPV (Residential)

17.1. An Associate Member who holds the certification of *CPV (Residential)* (AAPI CPV (Residential)) can undertake a *valuation* or *desktop* of any residential property, for any purpose provided that:

(a) the highest and best use of the property must be residential; and

(b) there are strictly only residential use(s) on the property.