

GOVERNMENT NOTICE NO. 581 published on 31/7/2020

THE VALUATION AND VALUERS REGISTRATION ACT,
(CAP. 138)

CODE OF ETHICS

(Made under section 66)

THE CODE OF ETHICS FOR VALUERS AND VALUATION CONSULTING FIRMS, 2020

ARRANGEMENT OF PARAGRAPHS

Paragraph Title

PART I
PRELIMINARY PROVISIONS

1. Citation.
2. Application.
3. Interpretation.

PART II
CODE OF ETHICS

4. Fundamental principles.
5. Fundamental canons.
6. Obligations to general public and profession.
7. Conflict of interest.
8. Obligation to employer or client.
9. Prohibited practices.
10. Solicitation of professional assignment.
11. Conduct of valuer.
12. Upholding integrity.
13. Upholding valuation reputation.
14. Impartiality.
15. Confidentiality of information.
16. Fair compensation and working agreements.
17. Valuer diligence.
18. Valuer's competence and documentation of information.
19. Valuer's professional responsibility.

PART III
BREACH OF CODE OF ETHICS

- 20. Adherence to Code of Ethics.
- 21. Breach of Code of Ethics.

THE VALUATION AND VALUERS REGISTRATION ACT,
(CAP. 138)

CODE OF ETHICS

(Made under section 66)

THE CODE OF ETHICS FOR VALUERS AND VALUATION CONSULTING FIRMS, 2020

PART I
PRELIMINARY PROVISIONS

- Citation 1. This Code of Ethics may be cited as the Code of Ethics for Valuers and Valuation Consulting Firms, 2020.
- Application 2. This Code of Ethics shall apply to fully registered valuers, provisionally registered valuers, temporary registered valuers, technician valuers and valuation consulting firms registered in Mainland Tanzania.
- Interpretation 3. In this Code of Ethics, unless the context otherwise requires-
- Cap. 138 “Act” means the Valuation and Valuers Registration Act;
“Board” means the Valuers Registration Board established under section 12 of the Act;
“Registrar” means the Registrar of the Board appointed pursuant to section 23 of the Act;
“firm” means a private or government owned entity registered purposely for carrying out valuation activities; and
“valuer” means a person who holds at least a first degree in real estate or equivalent qualification with specialization in valuation.

PART II
CODE OF ETHICS

- Fundamental principles 4. A valuer shall endeavour to uphold and advance integrity, honour and dignity of the valuation profession by-
(a) acting with honesty and impartiality and serving the public, his employer and clients with fidelity;

Fundamental
canons

- (b) conducting affairs of the profession with highest degree of honesty, skills, integrity, confidentiality, objectivity, and observe the code of conduct as described in the Act;
- (c) striving to enhance the competence and prestige of the valuation profession; and
- (d) supporting the professional and technical societies of his disciplines through coaching, mentoring and nurturing valuation aspirants.

5. A valuer or valuation consulting firm shall-

- (a) act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, and colleagues in the valuation profession;
- (b) act consistently in a way that emphasises compliance with applicable and related laws and regulations;
- (c) issue public statements only in an objective and truthful manner;
- (d) act in a professional manner for each employer or client as faithful agents or trustees, and shall endeavour to avoid conflicts of interests;
- (e) place the integrity of the valuation profession and the interest of the clients above his own personal interest;
- (f) use reasonable care and exercise independent professional judgments when conducting valuation data collection, analysis, making recommendations, undertaking valuation assignment and engaging other professional activities;
- (g) practice and encourage others to practice in a professional and ethical manner that will reflect credits on themselves and the professional; and
- (h) maintain and improve his professional competence and strive to maintain and improve the competence of other valuation professionals.

Obligations to
general public
and profession

6.-(1). Every valuer shall have the following primary obligation-

- (a) protection of the welfare of the public and profession; and
- (b) certification of documents or reports which are in conformity with the prescribed best practice guidelines in valuation.

(2) A valuer shall, in the event that professional judgment is overruled under circumstances where the welfare of the public is endangered, notify in writing his employer or client, the Board and such other authorities as may be appropriate.

(3) A valuer shall, in the event of professional misconduct or malpractice by a valuer, firm or general public, notify the Board or appropriate authority.

Conflict of
interest

7.-(1) Every valuer shall disclose to his employer or client all known or potential conflicts of interest which may influence his judgment or the quality of services.

(2) A valuer in public service as a member, advisor or employee of a government body or department shall not participate in decisions with respect to professional services to which he has interest in.

Obligation to
employer or
client

8.-(1) A practicing valuer shall, when undertaking valuation assignment, valuation analysis, making valuation, judgments, conclusions and recommendations, inform his clients and employers of societal and environmental consequences of projects or actions thereto in which he is involved, and he shall interpret issues to the public in an objective and truthful manner.

(2) Every valuer using data or recommendation by a client shall ensure that the idea remains the property of the client which shall not be used or duplicated by the valuer for others without the express permission of the client.

Prohibited
practices

9. A registered valuer or firm shall not, when offering professional services, act as an agent for an unregistered valuer, firm or any other person.

Solicitation of
professional
assignment

10.-(1) A valuer shall not solicit for professional employment under the following circumstances:

- (a) falsifying or permitting misrepresentation of himself, his associates, relevant academic or professional qualifications, or exaggerate his degree of responsibility and capability;
- (b) offering, giving, soliciting or receiving, either directly or indirectly, any financial or material consideration of any amount intended to influence the award of a contract;
- (c) proposing or accepting a professional commission under circumstances in which his professional judgment may be compromised;

- (d) in self-laudatory language, presentations or in any manner derogatory to the dignity of the valuation profession, advertise or write articles for publication; and
 - (e) associating with reports, returns or communications of which the valuer believes that the information-
 - (i) contains false, misleading or biased documents, analyses or results; or
 - (ii) withhold or omit required information that might lead to misleading results.
- (2) Every valuer shall build his professional reputation on the merit of the services and shall not compete unfairly with others or engage in any actions that violet any other written law.

Conduct of
valuer

11. A valuer shall not-

- (a) permit the use of his name or firm name, his associate in business venture with any person or firm which he reasonably believes that such person is involved in fraudulent or dishonest business or unprofessional practices;
- (b) accept payment, from more than one party for services on the same assignment, or for services pertaining to the same assignment, unless the circumstances are fully disclosed to and agreed for, by all interested parties;
- (c) present himself directly or by implication in a professional category that he is not registered or in academic category irrelevant in professional practice;
- (d) disclose classified information concerning the business affairs or technical processes of any present or former client or employer without his consent; and
- (e) be influenced in his professional duties by his political lenience, involvement or conflicting interests and shall-
 - (i) not accept commissions or allowances, directly or indirectly from other parties dealing with clients or employers of the valuation in connection with the work for which the valuer is responsible; and

- (ii) refrain from profession misconduct which may constitute price undercutting, forgery or falsification of information, intentional under valuation or over valuation, and collusion with third party to falsify valuation report or advice.

Upholding
integrity

12.-(1) A valuer shall be objective and truthful in making or presenting professional reports, statements or testimonies.

(2) A valuer shall take all reasonable steps to avoid negligence, overestimation or underestimation of material, particular or information obtained in the course of valuation.

(3) A valuer shall not solicit or accept financial or other valuable consideration, directly or indirectly from client, employer, his agents or other parties in connection with work for which he is engaged except the acceptable fee.

(4) A valuer shall not advertise his professional service in a manner that is self-laudatory or which is not true or factual or which is derogatory to the dignity of other valuers in the profession.

(5) A valuer shall not accept valuation assignment or prepare any valuation report that involves a predetermined or pre-planned opinion or view.

Upholding
valuation
reputation

13.-(1) A valuer shall avoid actions or practices which are likely to discredit the valuation profession or deceive the public.

(2) A valuer shall not maliciously attempt to injure directly or indirectly, the professional reputation, prospects, practice or employment of another valuer, and shall not in that respect criticize valuation report of another valuer.

(3) Where a valuer believes that another valuer is unethical, that person shall present such information to the proper authority for action.

(4) A valuer whose professional advice is not accepted shall take all reasonable steps to ensure that persons overruling or neglecting his advice are aware of the dangers the valuer believes may result from such overruling or neglect.

Impartiality

14.-(1) A valuer shall, when reviewing a report prepared by another valuer, always be impartial, make fair judgments and justify the reasons for his agreement or disagreement with the report's conclusions.

(2) A valuer in private practice shall not review the work of another valuer for the same client except with the knowledge of such other valuer or unless the relationship of such valuer and client has been terminated.

Confidentiality
of information

15.-(1) A valuer shall not, for personal advantage, use confidential information obtained as a result of professional relationships.

(2) A valuer shall take reasonable steps to ensure staff under his control and persons from whom advice and assistance is sought, respect the duty of confidentiality.

(3) A valuer shall uphold the principle of confidentiality even after the end of his professional relationships with the client or employer.

(4) A valuer shall handle the client's information sensitively all the time, and in that respect not disclose confidential information or results relevant to an assignment or would be beneficial to another party or person.

(5) A valuer shall not, unless authorised or required to do so by law, reveal facts, data or information obtained in his professional capacity without the prior consent of the client or employer.

Fair
compensation

16. A valuer or valuation firm shall-

- (a) uphold the principle of appropriate and adequate compensation for those engaged in valuation work; and
- (b) formalise working agreements for those engaged in professional valuation assignment.

Valuer
diligence

17.-(1) A valuer shall commit to working with professionalism and diligence and present work in a timely manner in accordance with requirements and applicable technical and professional standards, and avoid any actions that discredit the profession, including-

- (a) understand the dimensions of the required assignment and ensure the scope of the work is sufficient to achieve credible results;
- (b) receive precise instructions from the client and document it in writing in accordance with guidelines before engagement to avoid any misinterpretation of meanings or scope of work; and
- (c) not accepting assignments if the circumstances do not permit the achievement of accurate and reliable high quality results.

(2) A valuer shall obtain the consent of the client when requiring the help of the external source.

(3) Where valuation requires engagement of a third party, information of that third party shall be disclosed and acknowledged including the identity of the assistants and their role in the preparation of the valuation report.

(4) A valuer shall work according to the requirements of the assignment carefully, diligently and in a timely manner.

(5) A valuer shall work hard to provide the best service for the clients and exercise due care to ensure that the provided services is in accordance with all applicable professional and technical regulations and standards of valuation.

(6) A valuer shall treat clients and the public with courtesy and respond quickly and effectively to reasonable instruction and complaints.

Valuer's
competence
and
documentation
of information

18.-(1) A valuer shall for each assignment prepare and maintain a work file which shall contain a hard or soft copy of every written report, correspondence notes and documentation in addition to the information, data and procedures adequate to support the valuer's opinion inquires, inspection, sources, methods, analyses and calculations.

(2) A valuer shall verify the data used in the valuation and identify the extent of its reliability.

(3) A valuer shall not rely on information presented by the client or any other person without verification of their eligibility or source and reliability, unless the valuer specifies the nature and extent of the information as a restriction.

Valuer's
professional
responsibility

19.-(1) Every valuer shall accept personal responsibility for every professional activity under his charge and-

(a) shall conform with registration laws in the practice of valuation; and

(b) shall not associate with a non-valuer corporation or partnership as a "cloak" for unethical acts.

(2) Every valuer shall give credit for valuation assignment of those to whom credit is due, and recognize the proprietary interests of others.

(3) Every valuer shall cooperate in extending the effectiveness of the profession by interchanging information and experience with other valuers and students, and will endeavour to provide opportunity for the professional development and advancement of valuers under his supervision and in that case he shall-

- (a) encourage valuation employees' efforts to improve their education;
- (b) encourage valuation employees to attend and make presentations at professional and technical society meetings;
- (c) encourage valuation employees to become registered at the earliest possible date; and
- (d) take part in training and supervising young valuers.

PART III
BREACH OF CODE OF ETHICS

Adherence to
Code of Ethics

20. A valuer or valuation firm shall adhere to the Code and shall do all necessary endeavours to support those who seek to uphold it and report immediately any unethical valuation decisions or practices by valuers, firms and others to the Board.

Breach of
Code of Ethics

21. A person who contravenes any provision to this Code of Ethics shall be deemed to have committed a professional misconduct and shall be pursued against by the Board as provided under the Act.

Dar es Salaam,
NDJOVU,
4th June, 2020

CLETUS ELIGIUS

Chairman of the Board