



1 October 2023

NZIV Code of Ethics Review

Introduction

The NZIV Code of Ethics (the **Code**) was last reviewed and approved by members in 1996. In 2021, NZIV Council (**Council**) resolved to review the Code and consider whether changes were necessary and/or desirable. Council convened a Code of Ethics Subcommittee (the **Subcommittee**), chaired by former President Jeff Alexander, to undertake the review.

The Subcommittee sought initial views from stakeholders and NZIV's legal adviser. The Code was considered generally fit for purpose, with no specific concerns regarding its interpretation in published decisions of the Valuers Registration Board. Accordingly, the Subcommittee considered the focus of the review should be improving the clarity of existing member obligations and identifying any additional obligations that should be introduced.

Following the Subcommittee's review and member submissions a revised draft was circulated and supported by members at the 2023 Annual General Meeting.

The Code of Ethics has subsequently been approved by the Land Information Minister in line with NZIV statutory obligations.

Exposure Draft - new structure

The new Code of Ethics divides member obligations into four sections: Professional Responsibilities, Independence, Conflict of Interest and Professional Competence. Member obligations prior to October 1, 2023 are contained in the Code, albeit the wording may have been amended, simplified or condensed.

The sections of the Code concerning professional fees, the use of designations, advertising and promotion and general matters are largely unchanged, aside from the issues identified below. The section concerning professional work by members in employment has been removed as superfluous.

Key changes

Key changes for the attention of members include the following:

Clause	Previous wording	New wording	Rationale for change
1.1	The first duty of each and every member is to render service to the member's client or the member's employer with absolute fidelity, and to practise their profession with devotion to high ideals of integrity, honour and courtesy, loyalty to the Institute, and in a spirit of fairness and goodwill to fellow members, employees and subordinates.	A member must provide their professional services with continuing loyalty, integrity and courtesy. They must act towards their clients in a fiduciary manner.(1.1)	This section is an amalgam (and rewording) of current clauses: 1.1, 1.2, 1.3, 1.4 and 2.1. The wording has been simplified and focused on obligations other than independence and competence, which now have their own sections. The words " <i>loyalty to the institute, and in a spirit of fairness to fellow members, employees and subordinates</i> " to aid clarity.
1.2	A member's conduct shall at all times uphold the reputation of the Institute and the dignity of the profession and abide by all laws, statutes, regulations and rules relevant to their professional practice.	A member must uphold the reputation of the NZIV and must avoid any action they know, or ought to know, would discredit the profession.(1.2)	Discredit considered more appropriate than dignity. Compliance with relevant laws and rules moved to competence section.
1.5	A member shall exercise the utmost care and good faith to ensure the maintenance of the highest standards in the preparation of statements, reports and certificates, as these constitute one of the most valuable assets of the profession, being relied upon by clients, employers, shareholders, investors, creditors and the public	Members must exercise reasonable skill, care and diligence in the performance of their professional duties. They must abide by all relevant laws, regulations, rules and professional standards in undertaking their work.(4.2) Particular care should be taken in the preparation of statements, reports and certificates, as these constitute one of the most valuable assets of the profession (being relied upon by clients, employers, shareholders, investors, creditors and the public). (4.4)	1.5 wording mainly deals with professional competence. The appropriate standard is that of the reasonable Registered Valuer (rather than 'highest'). The section has been reworded and moved under 'Professional Competence'.
3.3	A member must inform the member's client or clients of the nature of any business connections, interests or other affiliations the member may have in connection with the service to the client or clients.	A member must inform a client in writing of the nature of any other business relationships, memberships or affiliations the member may have that have any <u>material</u> connection with the services provided to that client.(3.3)	In the interest of clarity, a requirement to inform in writing is introduced but a materiality threshold is included in relation to the connection between the business relationship and the services.

Clause	Previous wording	New wording	Rationale for change
5.1	A member in employment shall not accept professional work on the member's own account unless with the knowledge and consent of the member's employer or unless the member's employment contract expressly provides such authority.	Deleted.	Considered an employment issue.
7.2	The initials F.N.Z.I.V. and A.N.Z.I.V. denoting members' status, and statutory designations "Registered Valuer" and "Public Valuer", as appropriate, are personal to individual members and shall be used only following or immediately in connection with the member's name.	The initials F.N.Z.I.V. and A.N.Z.I.V. denoting a member's status and the statutory designation "Registered Valuer" are personal to individual members and must be used only following or immediately in connection with the member's name.(6.1)	The concept of "Public Valuer" has been removed.
7.3	A member's name and signature must appear on every valuation or report undertaken, together with the approved initials as set out in the Rules of the New Zealand Institute of Valuers indicating their status as a Fellow or Associate and where appropriate the designation of "Public Valuer", "Registered Valuer" or such other designation as the Institute may from time to time approve.	A member's name and signature must appear on all written communications that provide valuation advice, together with the approved initials as set out in the Rules of the New Zealand Institute of Valuers indicating their status as a Fellow or Associate and the designation of "Registered Valuer" or such other designation as the Institute may from time-to-time approve.(6.2)	The words " <i>every valuation report undertaken</i> " have been replaced with " <i>all written communication that provide valuation advice</i> " to ensure the application of valuation expertise is identified, regardless of the form it takes. The concept of "Public Valuer" has also been removed.
9.2	A member shall at all times abide by every lawful decision of the Council or of the Committee of the Branch of which they are a member or of any general meeting of the Institute or of that Branch.	Deleted.	Considered covered by requiring members to comply with all relevant laws, regulations, rules and professional standards.