

CODE OF CONDUCT FOR ASSOCIATION OF CERTIFIED VALUATORS AND ANALYSTS (ACVA)

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Definitions

- a. 'ACVA' means the Association of Chartered Valuators and Analysts.
- b. 'Act' means the Companies Act, 2013.
- c. 'Authority' means an authority specified by the Central Government under section 458 of the Act to perform the functions under the rules of the Code, i.e. the IBBI.
- d. 'IBBI' means the Insolvency and Bankruptcy Board of India.

Integrity and Fairness

- a. A valuer shall, in the conduct of his/her/its business, follow high standards of integrity and fairness in all his/her/its dealings with his/her/its clients and other valuers.
- b. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
- c. A valuer shall endeavor to ensure that he/she/it provides true and adequate information and shall not misrepresent any facts or situations.
- d. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
- e. A valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

- a. A valuer shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
- b. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
- c. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
- d. In the preparation of a valuation report, the valuer shall not disclaim liability for his/her/its expertise or deny his/her/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
- e. A valuer shall not carry out any instruction of the client in so far as they are incompatible with the requirements of integrity, objectivity and independence.
- f. A valuer shall clearly state to his client the services that he/she/it would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

Independence and Disclosure of Interest

- a. A valuer shall act with objectivity in his/her/its professional dealings by ensuring that his/her/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
- b. A valuer shall not take up an assignment if he/she/it or any of his/her/its relatives or associates is not independent in terms of association to the company.
- c. A valuer shall maintain complete independence in his/her/its professional relationships and shall conduct the valuation independent of external influences.
- d. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
- e. A valuer shall not deal in securities of any subject company after any time when he/she/it first becomes aware of the possibility of his/her/its association with the

valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.

- f. A valuer shall not indulge in “mandate snatching” or offering “convenience valuations” in order to cater to a company or client’s needs.
- g. As an independent valuer, the valuer shall not charge success fee.
- h. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

Confidentiality

- a. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/her/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

Information Management

- a. A valuer shall ensure that he/she/it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.
- b. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorized by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.
- c. A valuer shall provide all information and records as may be required by the Authority, the Tribunal, Appellate Tribunal, ACVA, or any other statutory regulatory body.
- d. A valuer while respecting the confidentiality of information acquired while performing professional services shall maintain proper working papers for a period of three (3) years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

Gifts and Hospitality

- a. A valuer or his/her/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.
Explanation – For the purposes of this code the term ‘relative’ shall have the same meaning as defined in clause (77) of Section 2 of the Act.
- b. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/herself/itself, or to obtain or retain an advantage in the conduct of profession for himself/herself/itself.

Remuneration and Costs

- a. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken and is not inconsistent with the applicable rules.
- b. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

Occupation, Employability and Restrictions

- a. A valuer shall refrain from accepting too many assignments, if he/she/it is unlikely to be able to devote adequate time to each of his/her/its assignments.
- b. A valuer shall not conduct business which, in the opinion of the authority or ACVA discredits the profession.