

## **4 ETHICS STANDARD - RULES**

### **4.1 Requirements of Members**

4.1.1 Members of the Institute pledge to conduct themselves in a manner that is not detrimental to the public, the Institute, CUSPAP, or the appraisal profession. A Member's relationships with other Members, the Institute, and the public shall portray courtesy, respect, and good faith. [see 4.2.2]

4.1.2 A Member is required to use due diligence and due care and must not render Professional Services in a careless, biased, discriminatory, or negligent manner. The fact that the carelessness, bias, discrimination, or negligence of a Member does not result in an error that significantly affects a Report's opinions or conclusions, and thereby does not cause serious harm, does not excuse such carelessness, bias, discrimination, or negligence.

### **4.2 Rules**

It is unethical for a Member [see 5.1]:

4.2.1 to knowingly fail to comply with the Bylaws, Regulations, Standards, policies, and

Professional Liability Insurance Program of the Institute; 4.2.2 to knowingly engage in conduct that would prejudice their professional status, the reputation of the Institute, CUSPAP, or any other Member; [see 5.1]

4.2.3 to knowingly act in a manner that is misleading; [see 5.2, 5.3] 4.2.4 to act in a manner that is fraudulent; [see 5.1.5, 5.1.6] 4.2.5 to knowingly complete an Assignment a reasonable Member could not support; [see

3.62] 4.2.6 to claim qualifications and Continuing Professional Development credits, improperly;

[see 5.6] 4.2.7 to undertake an Assignment lacking the necessary competence; [see 5.10] 4.2.8 to refuse to co-operate with the Institute; [see 5.5] 4.2.9 to fail to create a work-file for each Assignment; [see 3.72, 5.7]

4.2.10 to disclose results of an Assignment to anyone but the Client, except with the Client's permission; [see 5.8]

4.2.11 to fail to reveal any known conflict of interest; and [see 5.9]

4.2.12 to accept an Assignment that is contingent on the result or outcome. [see 5.11]

## **5 ETHICS STANDARD – COMMENTS**

### **5.1 Conduct [see 4.2.2]**

5.1.1 A Member must perform Assignments ethically, objectively, competently, and without bias or discrimination in a meaningful manner in accordance with these Standards. 5.1.2 A Member must not engage in activities within a group or organization that these Standards would prohibit them from doing as an individual.

5.1.3 A Member must not circumvent CUSPAP by doing indirectly what they cannot do directly.

5.1.4 A Member acting as a Co-signer must provide the Member seeking designation with adequate and reasonable supervision and advisory services.

5.1.5 Conduct by a Member that results in criminal charges may be subject to sanctions in accordance with AIC Consolidated Regulations.

5.1.6 A Member must immediately inform the Institute upon any criminal convictions or indictments.

### **5.2 Misleading Report [see 4.2.3, 4.2.4]**

5.2.1 It is unethical for a Member to develop, use or permit others to use, for any purpose, any Report which the Member knows, or ought to know, is defective, erroneous, and/or misleading.

5.2.2 A misleading Report can be caused by omission or commission and may result from a single large error or a series of small errors that, when taken in aggregate, lead to a Report that is deemed to be misleading.

### **5.3 Misleading Advertising [see 4.2.3]**

5.3.1 A Member must maintain the highest standards of objectivity and impartiality when advertising their Professional Services, or referring to the Institute for promotional or solicitation purposes and using advertising media including: print advertisements, leaflets, pamphlets, brochures; electronic media, and corporate, business, personal web sites, and/or social media. (e.g., LinkedIn, Facebook, Twitter, Instagram) 5.3.2 A Member may advertise:

5.3.2.i. to solicit Clients and business in a manner that does not offend the interests of

the public and the Profession; 5.3.2.ii. to inform prospective Clients and the public of the availability of their

Professional Services; 5.3.2.iii. to advise as to the range, nature and cost of their Professional Services; 5.3.2.iv. their competence to perform, either directly or indirectly, in any Report or

advertising media; and 5.3.2.v. jointly with another Member.

5.3.3 When advertising a Member may:

5.3.3.i. include a University degree or other professional designations; and 5.3.3.ii. include their AIC designation and refer to their affiliation with the Institute.

5.3.4 A Member must not [see 4.2.3, 4.2.4]:

5.3.4.i. advertise in a false, misleading, or exaggerated manner;

5.3.4.ii. use laudatory statements or superlatives to describe their services;

5.3.4.iii. advertise in a manner that is contrary to the public interest or the Institute; 5.3.4.iv. refer to or make use of the name of the Institute or its professional

designations and trademarks in a:

- misleading or deceptive manner; or
- manner that suggests that a business organization is a Member of the Institute and/or holds any professional designation. 5.3.4.v. use the Institute logos, trademarks, or identity in contravention of the AIC Logo and Usage Guidelines.

5.3.5 A Member must identify their designation (AACI or CRA) or Membership status (AIC Candidate Member) in any advertising for Professional Services.

5.3.6 A business entity that is wholly or partially owned or controlled by a Member must not solicit Professional Services in a manner that is misleading or otherwise contrary to the public interest, the Institute, the profession, or the Standards.

5.3.7 Candidate Members must not [see 4.2.3, 4.2.4, 4.2.6]:

5.3.7.i. identify themselves with any term/title that might be misinterpreted as an AIC designation, (e.g. “accredited appraiser” or a “Designated appraiser”); 5.3.7.ii. use initials or abbreviations that might be misinterpreted as an AIC designation; or

5.3.7.iii. promote the Candidate Membership in such a way that it might be perceived as a valuation designation (e.g., “CRA [or AACI] Candidate” or “Candidate CRA [or AACI]” or any combination or variation thereof).

5.3.8 AIC Candidates Members must identify themselves as:

5.3.8.i. “Candidate Member of the Appraisal Institute of Canada”; or

5.3.8.ii. “Candidate Member of the AIC”; or

5.3.8.iii. “AIC Candidate Member”. [see 4.2.6]

5.3.9 A Jurisdictional Exception may require AIC Candidate Members to identify themselves in an alternative manner.

5.3.10 In any Report or advertising media an AIC Candidate Member must identify:

5.3.10.i. that they are working under the supervision of a Designated Member of the

AIC; and 5.3.10.ii. the name of the supervisor and their designation. [see 3.19]

#### **5.4 Qualifications [see 4.2.6, 7.11]**

5.4.1 A Member must identify their designation (CRA or AACI) or Membership status (AIC Candidate Member) wherever their name appears in any CUSPAP Professional Service and related correspondence including Letters of Transmittal, Reliance Letters, Progress Reports, and/or email correspondence. [see 3.19]

5.4.2 Only a Member holding the AACI designation is entitled to use of the term “accredited appraiser.”

5.4.3 Only a Member holding the AACI or CRA designations is entitled to use the term “Designated Member” and the P. App designation.

5.4.4 An Associate, Retired, Honorary AACI, or Student Member shall not:

5.4.4.i. hold themselves out in any way as a practicing Member of the Institute; or 5.4.4.ii. undertake to perform any type of Report associated with the Professional Services defined in CUSPAP.

5.4.5 A resigned, suspended, or expelled Member: 5.4.5.i. shall not hold themselves out in any way as a practicing Member of the Institute;

and

5.4.5.ii. is not authorized to affix the designation or Member status they held prior to their change in Member status to their name in any type of document.

5.4.6 A CRA Member must use that designation in connection with the Real Property Appraisal, Review, Consulting, or Mass Appraisal of:

5.4.6.i. an individual, undeveloped site for not more than four (4) self-contained family housing units, or

5.4.6.ii. a dwelling or property containing not more than four (4) self-contained family housing units.

5.4.7 An exception is made for:

5.4.7.i. Reserve Planning Assignments whereby a competent CRA Member can use the CRA designation to undertake Reserve Planning Assignments on any building size or type. Additional limitations may be imposed by Provincial Legislation; 5.4.7.ii. Machinery and Equipment Appraisal Assignments whereby a competent CRA

Member can use the CRA designation to undertake standalone Machinery and Equipment Appraisal Assignments on any property only if the Real Property is not being appraised; and

5.4.7.iii. Where an appropriate provincial license allows, a competent CRA Member can undertake Mass Appraisal Assignments. Where licensing exists in a particular jurisdiction, refer to the specific provincial Act and associated Regulations for details concerning the scope of practice of this licensing for that jurisdiction.

5.4.8 Where a CRA Member signs a Report beyond the Scope of Practice set out in 5.4.6 and which does not fall within the exceptions outlined in 5.4.7, the Report must be cosigned by an AACI Member.

5.4.8.i. Holding a designation from another valuation organization does not allow a CRA Member to complete an assignment that is beyond the Scope of Practice as set out in 5.4.6 and which does not fall within the exceptions outlined in 5.4.7.

5.4.9 The Highest and Best Use of the property that is the subject of the Assignment will determine whether an Assignment falls within the Scope of Practice for a CRA Member. [see 8.2.6, 9.5]

5.4.10 An AACI or CRA Member cannot co-sign a Report with a(n):

5.4.10.i. Student Member;

5.4.10.ii. Associate Member;

5.4.10.iii. Retired Member; (retired status) 5.4.10.iv. Honorary AACI;

5.4.10.v. Candidate Member unless properly registered in the Candidate Registry; or 5.4.10.vi. non-member unless properly registered in AIC's Quebec Registry or NonMember Registry.

5.4.11 An AACI or CRA Member registered in the Non-Fee category shall not co-sign for any Professional Services completed by a Fee Member.

5.4.12 An AACI or CRA Member registered in the Fee category may co-sign a Professional Services Report completed by a Non-Fee Member only if the Report is an internal or inhouse Report, and is not provided to any outside party.

## **5.5 Co-operate [see 4.2.8, 5.7]**

5.5.1 A Member must not fail or refuse to provide, and must not unreasonably delay the submission of: a written Report, Work-file or other material that is or should be in their possession or control if requested by the Institute.

5.5.2 A Member having custody of a Work-file, must allow authorized committees of the Institute with obligations related to the Assignment, appropriate access and retrieval. [see 5.8.2.iii]

5.5.3 A Member must not submit false or misleading information to the Institute.

## **5.6 Continuing Professional Development**

5.6.1 A Member must comply with the Continuing Professional Development (CPD) Policy and must not claim CPD credit improperly.

**5.7 Records [see 4.2.9, 5.5]** 5.7.1 A Work-file must be in existence prior to and contemporaneous with the issuance of a written or oral Report. 5.7.1.i. A written summary of an oral Report must be added to the Work-file within a reasonable time.

5.7.2 A Member must prepare a Work-file in hard copy or electronic format, for each Assignment. The Work-file must include:

5.7.2.i. the name of the Client and Intended Users;

5.7.2.ii. true copies of any written Reports including drafts in any format;

5.7.2.iii. summaries of any oral Reports (or court transcripts) sufficient to meet the requirements of the Reporting Standard, the assignment-specific Standard and the "Reasonable Appraiser" test;

5.7.2.iv. a signed and dated certification; and

5.7.2.v. all other data, information and documentation necessary to support the Member's opinions, analysis, and conclusions and to show compliance with this rule and all other applicable Standards, or references to the location(s) of such other documentation.

5.7.3 A photocopy or an electronic copy of the entire written Professional Services sent or delivered to a Client satisfies the requirement of a true copy. The industry standard medium for electronic storage is a PDF or equivalent and not by office or on-line appraisal software.

5.7.4 Care should be exercised in the selection of the form, style, and type of medium for written records, which may be handwritten and informal, to ensure they are retrievable by the Member throughout the prescribed record retention period.

5.7.5 A Work-file must be retained for a period of at least:

5.7.5.i. seven (7) years after preparation or 5.7.5.ii. two (2) years after final disposition of any judicial proceeding in which testimony was given or any professional liability insurance proceeding has taken place. 5.7.5.iii. Whichever period expires last.

5.7.6 A Member must (subject to 5.7.8):

5.7.6.i. retain the Work-file and have custody of the Work-file; or 5.7.6.ii. make appropriate arrangements for Work-file retention, access, and retrieval with the party having custody of the Work-file.

5.7.7 If a Member is unable to retain a copy of the Work-file, whether by reason of an employer's internal rules or by change of employer, all reasonable steps must be taken by the Member to ensure the availability of such Reports and Work-files when requested.

5.7.8 A Member should obtain written commitment from employers that Reports and Workfiles will be made available when required.

## **5.8 Disclosure [see 4.2.10]**

5.8.1 A Member pledges to uphold the confidential nature of the Member/Client relationship.

5.8.2 A Member must not disclose the analyses, opinions or conclusions in an Assignment to anyone other than:

5.8.2.i. the Client and those parties specifically authorized by the Member and Client to receive such information; 5.8.2.ii. third parties, when the Member is legally required to do so by due process of law

(i.e. the Courts or Legislation); or 5.8.2.iii. an authorized Committee or Committee member of the Institute.

5.8.3 A Member must not disclose information provided by a Client on a confidential basis to anyone other than:

5.8.3.i. those parties specifically authorized by the Client to receive such information; 5.8.3.ii. third parties, when the Member is required to do so by due process of law; or 5.8.3.iii. an authorized Committee or Committee member of the Institute.

5.8.4 If the conditions of an Assignment require that the performance of that Assignment is to be kept confidential, a Member must decline a new Assignment on the same property, with a condition requiring disclosure of any prior Assignment.

5.8.5 The Office of the Privacy Commissioner has determined that taking photographs of an individual's dwelling unit is a collection of personal information and is a violation of statute without the occupant's consent.

5.8.6 A Member is strongly cautioned on the use of confidential and/or personal information and must obtain meaningful consent from an occupant (e.g., tenant, property owner if occupant, occupant of office space, etc.) before taking photographs of a property. 5.8.6.i. Meaningful consent must state its purposes in such a manner that the occupant can reasonably understand how the information will be used or disclosed. 5.8.7 The Member must obtain an occupant's consent to photograph their personal area of occupancy and notify them that photographs may be included in the Report. The Member should include Limiting Conditions to the effect that they are not responsible for the misuse of the photographs by third parties.

5.8.8 A copy of any written consent to take and use photographs must be kept in the workfile. A sample Consent Form is found here <https://www.aicanada.ca/membershome/professional-practice-resources/forms-templates/>.

5.8.9 If written consent cannot be obtained, verbal consent may be relied upon however, a detailed written record of when and how the verbal consent was obtained and from whom, must be kept in the work-file.

5.8.10 If no form of consent can be obtained, a Member should record that efforts were made to obtain consent but no form of consent could be obtained and provide an explanation in the report, i.e.:

5.8.10.i. an occupant, or one of multiple occupants refused to consent;



5.8.10.ii. the occupant was not present at time of inspection or could not be reached

(e.g., out of town, out of the country); 5.8.10.iii. a language barrier existed where the occupant did not understand a language

well enough to provide meaningful consent; or 5.8.10.iv. the occupant at the time of the inspection was not of legal age to provide

meaningful consent.

5.8.11 If no form of consent can be obtained, photos with personal information cannot be taken.

5.8.12 Notwithstanding consent, a Member must take reasonable steps to ensure that images of personal information, occupants, and any other person are not captured in photographs.

5.8.13 If a property is vacant and has no identifiable personal information, consent is not required.