



Appraisal Institute of Canada
Institut canadien des évaluateurs

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Canadian Standards and Quality Valuations – an AIC Advantage

Dan Brewer AACI, P. App
AIC President

Canadian Uniform Standards of Professional Appraisal Practice - CUSPAP

- AIC has published CUSPAP for nearly 20 years – the document is reviewed and updated every two years.
- CUSPAP sets out standards in five key areas of appraisal practice:
 - Real Property Appraisal Standards
 - Review Standards
 - Consulting Standards
 - Reserve Fund Planning Standards – added in 2014
 - Machinery and Equipment Appraisal Standards – added in 2016

Canadian Uniform Standards of Professional Appraisal Practice - CUSPAP

- CUSPAP also sets out Ethics Standards – along with Rules and Comments.
- Certain aspects of CUSPAP are compulsory / mandatory including the Standards themselves and Definitions.
- Practice Notes and Comments are guidelines or best practices.

Canadian Uniform Standards of Professional Appraisal Practice -CUSPAP

- The rigour of CUSPAP is a key element in our:
 - Marketing, Promotion and Government Relations
 - Self Regulatory Regime
 - Designation Education
 - Mandatory Professional Liability Insurance Program

How it all fits



Mandatory Application

- CUSPAP sets out the mandatory elements that must be contained in each assignment AIC members carry out – for an appraisal, this amounts to 25 standards.
- Under CUSPAP Standards are compulsory – Rules are recommended and Notes are “best practices”

Mandatory Application

- AIC members must comply with the Standards within CUSPAP for **all of their assignments** – regardless of intended use, or user.
- This degree of consistency has helped to better protect Canadian consumers and the Canadian lending system.

Basis for our Self Regulatory Regime

- The AIC is a self regulatory body – as an organization we establish and monitor compliance with CUSPAP to serve the public interest and to advance the reputation of the profession.
- AIC maintains a consumer complaint and disciplinary process that is based on the requirements outlined in CUSPAP.

Dealing with Complaints

- The adjudication of a complaint is based on the member's compliance with their CUSPAP obligations – we do not arbitrate or opine on value.
- Because CUSPAP includes both ethical and “technical” standards this allows for a holistic approach to addressing a complaint.

Aligned with Education

- AIC's designation program combines in-school education and practical application of knowledge.
- Over the past two years, AIC has fully integrated a Work Product Review (WPR) program into the designation process.
- Under the WPR all candidates must provide three samples of actual work product – which are assessed to confirm compliance with CUSPAP

Our Mandatory Insurance Program

- AIC's mandatory liability insurance program has been in place for over 25 years
- Program provides broad based errors and omissions coverage for professional services **as defined by CUSPAP.**

Insurance Program (cont.)

- Because CUSPAP determines insurability, AIC is able to define the scope of the services members provide – and can expand those services to meet changing market demands or member needs.
- Coverage is conditional on a member remaining in good standing and on their compliance with CUSPAP – willful non compliance is grounds for a coverage denial.

Canada's Professionals of Choice

- The over 5,200 AIC members represent approximately 80% of Canada's valuation professionals.
- The full integration of CUSPAP into every aspect of our structure allows us to confidently promote our members as professionals of choice within the Canadian marketplace.

Professionals of Choice (cont.)

- Clients have come to realize that AIC members meet a rigorous set of standards in the completion of their work.
- Canadian lenders, governments and clients have all come to rely on AIC members – in fact, many prefer to deal exclusively with AIC members.

Government Relations

- Canada's real estate markets have proven themselves to be very stable – effective regulation has contributed greatly to that stability.
- AIC has been able to position our members as “trusted partners” in the process – based in large part on the strength of our CUSPAP standards.

Government Relations (cont.)

- Numerous pieces of legislation identify AIC designations as “qualified professionals” – essentially mandating CUSPAP.
- With the change (2015) in our federal Government the AIC is now playing an even larger role with our legislators and regulators.

Summary

- CUSPAP is one of AIC's core strengths and will continue to be a key part of our structure going forward.
- Our continuing goal will be to maintain CUSPAP as a high quality standard – a leader in Canada and considered as among the best in the world.
- Our mutual recognition agreement with TEGoVA – signed earlier this year – was a logical next step in this process.

For More Information

- Further information on CUSPAP – or a download of the 2016 version – can be accessed through the AIC website.

- Thank you, merci.



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