



# Valuation of businesses and intangible assets

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# 1 Introduction

This guide supports the Valuation of businesses and intangible assets pathway. It is designed to help you understand more about qualifying in this area.

You must use this guide in conjunction with the core assessment documentation, which is available on the RICS website and comprises of:

- Requirements and competencies guide
- Candidate guide for your RICS assessment, e.g. APC, Academic, Senior Professional, Specialist
- Counsellor guide.

You can download all the supporting guidance from the [Sector pathways](#) web page.

All RICS pathways are global, though it is appreciated that markets may vary from country to country. If you have any queries please contact your local office.

## About the competencies

The RICS competency framework ensures those applying for the RICS qualification are competent to practise and meet the highest standards of professionalism required by RICS. There is a wide range of pathways available to qualify as an RICS professional covering many different areas of practice.

The RICS assessment aims to assess that you are competent to carry out the work of a qualified chartered surveyor. To be competent is to have the skill or ability to perform a task or function. The RICS competencies are also based on attitudes and behaviours. The competencies are presented in a generic way so they can be applied to different areas of practice and geographical locations.

It is important that you interpret them within the context of your own area of practice or specialism and location.

Each competency is defined at three levels of attainment. You must reach the required level in a logical progression and in successive stages.

**Level 1** – knowledge and understanding

**Level 2** – application of knowledge

**Level 3** – reasoned advice, depth and synthesis of technical knowledge and its implementation.

The competencies are in three distinct categories:

**Mandatory** – the personal, interpersonal, professional practice and business skills common to all pathways and mandatory for all candidates.

**Technical core** – the primary skills of your chosen pathway.

**Technical optional** – selected as additional skill requirements for your pathway from a list of competencies relevant to the area of practice.

The mandatory competency requirements are set out in detail in the *Requirements and competencies guide*.

## Choosing your competencies

It is important that you give careful thought to your choice and combination of competencies. Your choice will inevitably reflect the work you do in your day-to-day environment (driven by the needs of your clients/employer). Your choice and combination of competencies will be a reflection of your judgement.

At the final assessment interview, the assessors will take these choices into account. They will expect you to present a sensible and realistic choice that reflects the skills needed to fulfil the role of a surveyor in your field of practice.

This guide should help candidates and employers with a degree of assistance in choosing the competencies that are most appropriate to their area of practice.

RICS pathways are designed to include rules about competency selection.

- For pathways with a **core** competency required to Level 1, candidates **can choose** the same competency to Level 2 or Level 3 as part of their **optional** selection where it is permitted in the pathway guide.  
For example, in the Building surveying pathway, Fire safety is **core** to Level 1. It is also **optional** and can be selected to a higher level.
- For pathways with a **core** competency required to Level 2, candidates **cannot choose** the same competency to Level 3 as part of their **optional** selection.

- Some pathways include **mandatory** competencies that can be selected to a higher level as part of the **core** or **optional** requirements.

Where this is the case, the competencies are grouped together as 'one' (see example below). Candidates can choose **only one\*** as part of their overall selection.

## Optional competencies

### Three to Level 3

- Accounting principles and procedures  
**or** Conflict avoidance, management and dispute resolution **or** Data management  
**or** Sustainability

(\* For the Building control pathway, candidates can select up to two of these competencies. This is because Client care and Data management are grouped as 'one' and Sustainability is listed separately.)

- Most pathways require candidates to choose at least one competency from the full list of technical competencies in the *Requirements and competencies guide* (see example below).

Plus, **one to Level 3** or **two to Level 2** from the full list of technical competencies, including any not already chosen from the optional list.

Where this is the case, a **mandatory** competency can only be selected:

- if it is listed as technical (**core** or **optional**) in the pathway guide **and**
- if grouped with other competencies as 'one' (see third bullet point above), no other competency from the group has already been selected.

## Where to find help

RICS has fully trained teams across the globe who will be able to help you with any queries. For details of your local office, visit the [Contact us](#) web page.

## 2 About the pathway

Business valuation is a core skill of many valuers and forms part of the professional services provided by many RICS members. Professional business valuations are vital to a healthy market and stable economy, forming the basis of performance analysis, financing decisions, transactional or development advice, dispute resolution, taxation and various statutory applications.

Specialist business valuers can work in both the public and private sector and practice the valuation of both small businesses and large corporations.

Some business valuers practice exclusively in one area, while others deal with a wide variety of asset types. Robust practice standards form the basis of high-quality business valuations.

RICS is the world's leading qualification for valuation professionals and is well respected by employers and clients globally.

### RICS qualification

Although valuation is a skill applied across a wide variety of assets, this pathway is specifically aimed at individuals who work in the world of valuation of businesses and intangible assets. Other areas such as the valuation of commercial and residential real estate, machinery, arts and antiques or minerals have their own dedicated RICS pathways to entry. This pathway places emphasis on competency in business valuation practice (which is required to Level 3 in this pathway).

However, as with other valuation pathways, a broad base of experience in general business practice is also required. For this reason, the competency requirements of this pathway are similar to the Valuation pathway, which is generic and it may, at times, draw candidates from a professional environment where real estate forms part of the trading business transaction. However, different to the Valuation pathway where 'inspection' and 'measurement' competencies are core competencies, this pathway includes the valuation of business interests and intangible assets where inspection and measurement are not relevant in day-to-day practice. These two established competencies, which form part of a number of RICS pathways, are not included in this particular pathway.

Please note that the competencies in this pathway often refer to the term 'property'. It is important for the candidate to take this term in a generic context and to know that it refers to any type of asset, not just real estate.

### Chartered alternative designations

All candidates qualifying through the Valuation of businesses and intangible assets pathway will be entitled to use the designation 'Chartered Surveyor'.

### 3 Pathway requirements

Mandatory	Core	Optional
<p><b>Level 3</b></p> <ul style="list-style-type: none"> <li>• Ethics, Rules of Conduct and professionalism</li> </ul> <p><b>Level 2</b></p> <ul style="list-style-type: none"> <li>• Client care</li> <li>• Communication and negotiation</li> <li>• Health and safety</li> </ul> <p><b>Level 1</b></p> <ul style="list-style-type: none"> <li>• Accounting principles and procedures</li> <li>• Business planning</li> <li>• Conflict avoidance, management and dispute resolution procedures</li> <li>• Data management</li> <li>• Diversity, inclusion and teamworking</li> <li>• Inclusive environments</li> <li>• Sustainability</li> </ul>	<p><b>Level 3</b></p> <ul style="list-style-type: none"> <li>• Accounting principles and procedures</li> <li>• Asset identification and assessment</li> <li>• Valuation of businesses and intangible assets</li> <li>• Valuation reporting and research</li> </ul>	<p><b>One to Level 3 or two to Level 2</b></p> <ul style="list-style-type: none"> <li>• Capital allowances</li> <li>• Compulsory purchase and compensation</li> <li>• Corporate finance</li> <li>• Corporate recovery and insolvency</li> <li>• Purchase and sale</li> <li>• Taxation</li> </ul> <p>Plus, <b>one to Level 2</b> from the full list of technical competencies, including any not already chosen from the optional list.</p>

## 4 Technical competencies guidance

### Accounting principles and procedures

This competency covers the basic principles of accounting and the interpretation of company accounts in order that reasoned valuation advice can be given to clients.

#### Examples of likely knowledge, skills and experience at each level

##### Level 1

Demonstrate knowledge and understanding of accounting concepts and the format and preparation of management and company accounts, including profit and loss statements, cash flow statements and balance sheets.

Examples of knowledge comprised within this level are:

- the Generally Accepted Accounting Principles (GAAP) relevant to the candidate's geographical area of experience and how business assets, including intangible assets, R&D and liabilities are treated in an entity's accounts
- International Accounting Standards (IAS), broadly how IAS vary from National GAAP and how business assets, including intangible assets, R&D and liabilities are treated in an entity's accounts prepared under IAS
- the financial results of a business and basic accounting principles including balance sheets, profit and loss statements and cash flow statements
- the role of the auditor.

##### Level 2

Provide evidence of interpretation of company accounts and balance sheets in your area of practice and application of appropriate accounting and regulatory standards.

Examples of activities and knowledge comprised within this level are:

- the application of knowledge obtained to achieve Level 1 and specific knowledge of the accounting standards that relate to the valuation of business assets, including intangible assets, R&D and liabilities
- considering financial statements to establish, for example, the financial strength of an entity
- reviewing, understanding and providing evidence of interpretation of analyst's reports on financial statements
- considering and understanding common financial measures such as return on capital employed, NAV, net assets per share, gearing ratio, EBIT, EBITDA and PE ratio.

##### Level 3

Provide evidence of reasoned advice given to clients with regard to profit and loss statements and balance sheets.

Examples of activities and knowledge comprised within this level are:

- provide clients with reasoned valuation advice relating to the financial standing of a company for activities such as balance sheet operations, buying, selling or to assess suitability for a commercial relationship, among others
- preparing or assisting in the preparation of valuation advice for management accounts if appropriate in your country's jurisdiction
- preparing, or assisting in the preparation of valuation advice for financial accounts, including balance sheets, profit and loss statements and cash flow statements, if appropriate in your country's jurisdiction
- preparing other professional advice related to the interpretation and/or preparation of accounts.



## Asset identification and assessment

This competency is about applying your knowledge to identify and assess one or more asset types and report the findings to support the provision of reasoned valuation advice. The asset types include trading businesses, business assets including share classes/rights, options, intellectual property, R&D, instruments or liabilities and other securities or intangible asset rights.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the identification and assessment of intangible and business assets.

Examples of knowledge comprised within this level are:

- what constitutes the assets and how they are separately identified
- relevant case law and law relating to the legal protection of assets
- the process of identifying assets within a transaction.

#### Level 2

Apply your knowledge and understanding of what constitutes intangible and business assets, the nature and character of the asset and different forms of ownership.

Examples of activities and knowledge comprised within this level are:

- ascertaining the precise nature of the asset from examination of the related articles of association, including agreements, contracts and instruments.
- collation and interpretation of information relevant to the asset or business activity
- analysis and interpretation of comparable evidence
- the implications for the nature and character of the assets being valued from different forms of ownership
- the ability to provide reasonable estimates of the likely life span and sustainability of assets
- demonstrate a clear understanding of differing results within a transaction when considered for different purposes, such as apportionment for fiscal purposes or inclusion in a purchase price allocation for financial reporting.

#### Level 3

Provide evidence of reasoned advice on complex asset identification issues, the nature of assets, liability or business asset to be valued.

Examples of activities and knowledge comprised within this level are:

- provide advice of how assets are separately identified and how this can vary within a transaction depending on the purpose of the apportionment valuation for financial reporting, litigation or fiscal purposes, including transfer pricing
- ownership and how different forms of ownership such as legal, beneficial, economic or licensed ownership interact with the valuation
- provide advice on complex asset identification issues that assist in defining the nature of the asset, liability or business to be valued
- provide clients with advice on the nature of different types of intellectual property and how it is distinguished from other intangible assets
- provide detailed advice on the nature of restricted securities under national taxation law.



## Capital allowances

This competency covers the taxation incentives/capital allowances available on property and other assets both tangible and intangible, in order to prepare claims and give advice to clients. This includes the various types of capital allowance that are available in accordance with capital allowances legislation or their equivalent in different geographical locations. They should have a thorough understanding of types used in connection with their work. Note: this competency may be most relevant to those carrying out valuations of trading businesses.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of capital allowances and grants.

Examples of knowledge comprised within this level are:

- the definition of capital allowances and the history behind their existence
- the main types of capital allowances available and the asset types that they apply to including plant and machinery, industrial building allowances, hotel allowances and enhance capital allowances.

#### Level 2

Apply knowledge of capital allowances and grants, including the ability to use source documents necessary to prepare taxation allowances analyses.

Examples of activities and knowledge comprised within this level are:

- collecting the relevant documentation to assist in claim
- preparation relating to a transaction. for acquisitions this might include sale agreements, reports and specifications and for developments this may be ledgers, contracts, final accounts and invoices
- understanding, establishing and applying entitlement and compliance issues
- identifying and quantifying qualifying expenditure.

#### Level 3

Provide evidence of giving reasoned advice, preparing claims, making applications for grants, preparing and presenting reports to clients, and corresponding and negotiating with the relevant government and other authorities.

Examples of activities and knowledge comprised within this level are:

- preparing and presenting reports and documentation
- providing advice on issues affecting acquisitions and disposals, or developments where applicable
- giving advice on the effect and interaction of capital allowances, general taxation and accounting issues
- negotiating and agreeing claims with taxation authorities.

## Compulsory purchase and compensation

This competency addresses the understanding and practical application, within the appropriate legal framework, of compulsory purchase powers. This includes how an assessment of business value is calculated in respect of the legislation and the claim for compensation. The candidate is expected to have an understanding from both the acquiring authority and claimant's position, even if they have only acted for one party. This competency may be most relevant to those carrying out valuations of trading businesses.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the powers and procedures of government and other bodies in relation to compulsory purchase and compensation. This should cover interests in real estate and of the rights of owners and occupiers of the various interests in property.

Examples of knowledge comprised within this level are:

- the historical background, requirement for and justification of the use of compulsory purchase powers
- an overview of the various government legislation covering acquisition of land and rights, planning and compensation relevant to geographical area of the candidate and how this topic relates to business valuation
- the basic principles of compensation and the legal right to claim relevant to the candidate's geographical area
- statutory abilities to acquire rights other than outright purchase, such as those exercised by utilities companies
- the principal case law precedents (e.g. the Crichel Down rules)
- the appropriate fee basis for chartered surveyors and the role of the Lands Tribunal (or local equivalent) as well as mediation/arbitration or local equivalent.

#### Level 2

Demonstrate knowledge and understanding of the powers and procedures of government and other bodies in relation to compulsory purchase and compensation. This should cover interests in real estate and of the rights of owners and occupiers of the various interests in property.

Examples of activities and knowledge comprised within this level are:

- outlining the stages and timing involved in making, confirming and implementing a compulsory purchase order
- setting out heads of claim under a compensation claim
- using appropriately the relevant statutory and case law in the assessment of a claim for compensation
- gathering information through inspection or research to support a claim or blight notice.

#### Level 3

Demonstrate knowledge and understanding of the powers and procedures of government and other bodies in relation to compulsory purchase and compensation. This should cover interests in real estate and of the rights of owners and occupiers of the various interests in property.

Examples of activities and knowledge comprised within this level are:

- supplying and justifying evidence for a statement of claim using established business valuation practice and other logical techniques to back up the level of claim
- assisting in the preparation for an attendance at a public inquiry (or equivalent), including understanding of procedure and process
- advising on appropriate course of action on receipt of compulsory purchase notice
- advising on best practice in the implementation of a compulsory purchase order
- developing a rationale for the use of compulsory purchase powers in order to enable development, taking into account human rights legislation.

## Corporate finance

Corporate finance is a specific area that deals with the financial decisions that corporations make and the tools and analyses used to make these decisions within the context of the business world.

Note: This is an established competency, which was originally formed for the Real estate valuation pathway. In order to fit in with the criteria required of business valuation, the candidate is able to include business assets such as share classes/rights, options, intellectual property, R&D, instruments or liabilities and other securities or intangible asset rights, not just real estate (mostly trading properties and occupational premises) and plant or machinery as assets.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles and practices underlying the structuring and financing of corporate transactions, with particular reference to the role of real estate (see note above) within these transactions.

Examples of knowledge comprised within this level are:

- understanding the role and importance of the component parts of a business for corporate organisations as well as real estate
- researching financial and corporate organisational information
- knowledge of the financial markets, in particular the equity and money markets
- knowledge of the structure of company accounts and accurately conveying the significant points.

#### Level 2

Apply your knowledge and understanding to assist in advising corporate organisations on the capital structure options relating to both occupational and surplus real estate (see note above). This should include the calculation and modelling cost of capital, plus a working knowledge of the regulatory framework within which the corporate finance marketplace operates.

Examples of activities and knowledge comprised within this level are:

- knowledge and experience of the investment mathematics and cash flow techniques used in investment and portfolio analysis
- identifying key groups of lenders and equity providers and understanding the type of terms associated with their lending requirements
- understanding and calculating the effect of capital structure decisions on the cost of capital
- understanding drivers that affect loan transactions and investor returns
- practical knowledge of commercial, technical and regulatory issues.

#### Level 3

Give reasoned advice on the effects of different corporate financing techniques and structures on real estate (or plant or machinery) holdings (see note above) in a corporate context. This should include impacts on accounts and contributions to both merger and acquisition activity, as well as general corporate financing/restructuring transactions.

Examples of activities and knowledge comprised within this level are:

- understanding of the key issues and being familiar with the basic outline of how securitisation, CMBS and REIT structures work
- undertaking analysis and give an opinion on the impact of taxation on capital structures
- performing analysis to form an opinion on the relative financial strength of a business
- assisting in providing strategic advice and recommendations to clients supported by appropriate analysis
- understanding structuring issues on different asset holding entities including tax efficient structures.

## Corporate recovery and insolvency

This competency relates to providing reasoned valuation advice to parties when a business is struggling to meet its commitments. This could include working with a fixed charge receiver or advising insolvency practitioners or turnaround specialists and lenders among others. It includes valuation advice on a variety of assets including, business assets, intangible assets, R&D and liabilities as well as trading related real estate and occupational premises.

Note: for the purpose of this competency the term 'fixed charge receiver' can be locally interpreted as per the candidate's geographical location as required.

### Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the valuation professional in corporate recovery and insolvency situations.	Demonstrate an understanding of the professional services required for the various types of appointment that can be made to administer/manage the affairs of insolvent and potentially insolvent companies and individuals.	Provide evidence of reasoned advice, prepare and present reports on the assets of insolvent companies and individuals and/or in the administration of fixed charge receivership appointments.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• different types of insolvency routes for both personal and corporate</li> <li>• the rights and remedies available to creditors</li> <li>• difference between floating and fixed charge debentures.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• understanding clients' needs</li> <li>• undertaking oral and written communication between you, clients and other stakeholders</li> <li>• liaising with other professional advisers as part of a 'team'</li> <li>• differentiating alternative handling of encumbered, unencumbered or third-party assets</li> <li>• understanding the requirements and considerations for securing assets for different types of insolvency</li> <li>• providing input into valuation advice/strategy of the assets with regards the needs and timetable of the client</li> <li>• determining of subject assets and preparing of schedule of relevant assets with consideration of different titles of ownership.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• being involved with the instruction/appointment from inception to completion</li> <li>• implementing the agreed advice/strategy and possess the ability to adapt as events unfold</li> <li>• provide valuation reports of the business and other relevant assets, detailing the extent of encumbered, unencumbered and third-party assets</li> <li>• provide advisory reports using appropriate bases of value to include disposal considerations and recommendations</li> <li>• provide advice to clients following receipt of offers to purchase</li> <li>• handling retention of title claims including obtaining and assessing relevant evidence, to provide recommendations to clients</li> <li>• managing and monitoring finances relating to an instruction including proceeds of sale, disbursements and accounting to clients.</li> </ul>

## Purchase and sale

This competency relates to the purchase and sale of businesses, their component parts and other tangible and intangible assets such as intellectual property, shares, derivatives and options. It includes all encumbered and unencumbered assets. Candidates should have regard to all markets, alternative uses and values. It covers all forms of disposal including private treaty, tender and auction.

Note: for the purposes of this pathway, the term 'property' relates to all types of assets as described earlier in this guide.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of how various types of property are sold (or a similar interest is acquired for a client) and the different types of interests that may be placed on the market. Demonstrate an understanding of the economics of the market for such interests, and the appropriate legal frameworks.

Examples of knowledge comprised within this level are:

- the differing types of interests to be sold or acquired and the factors that can affect value
- the factors governing the methods of disposal/acquisition and the advantages/disadvantages of each
- the legal processes needed to complete a sale/acquisition
- issues relating to third-party/financed assets.

#### Level 2

Apply your knowledge and skills to the purchase or sale of all types of property and demonstrate practical experience of the associated decision-making process, marketing, reporting and completion of the transaction. Demonstrate knowledge and understanding of other forms of property transaction, and the reasons supporting the decision to proceed along the chosen purchase or sale route.

Examples of activities and knowledge comprised within this level are:

- selling or acquiring business and intangible assets
- explaining the reasoning behind the sales/acquisition process in relation to value, reporting, negotiation, etc.
- legal frameworks governing sale/acquisition and the implications and penalties.

#### Level 3

Provide evidence of reasoned advice and report to clients on all types of purchase or sale transactions. Demonstrate the ability to see complex cases through from start to finish with appropriate assistance. Be able to provide the client with a holistic view of the entire transactional market, and advise them clearly and appropriately, not only on the sale or disposal market but also on other areas.

Examples of activities and knowledge comprised within this level are:

- completing the sale of businesses and their assets from inception
- dealing with complex or difficult cases, and explaining the factors that made them so
- providing strategic advice on the relevant assets and commenting clearly on why the chosen route of purchase/sale was made
- providing advice on external factors that may affect the market in relation to the sale/purchase
- reporting to clients with recommendations relating to the acquisition/sale
- dealing with the sale or purchase of assets for different types of clients, such as small investors, large corporations, accountants, venture capitalists and finance companies among others.

## Taxation

Within a business valuation context, this competency requires the candidate to demonstrate knowledge and understanding of the relevant provisions for taxation in relation to their area of business and geographical location, as well as the general provisions for taxation of assets in the context of valuation.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the relevant provisions, general criteria and statutory framework for taxation of different classes of assets.

Examples of knowledge comprised within this level are:

- the main valuation directing provisions in relation to national taxes such as capital gains tax, corporation tax on capital gain, capital allowances, corporate intangibles regime, transfer pricing and others
- application of statute and case law
- valuation methods applicable to different types of assets.

#### Level 2

Apply your knowledge and understanding of the principal main valuation directing provisions in relation to capital taxation, capital allowances, corporate intangibles regime and transfer pricing.

Examples of activities and knowledge comprised within this level are:

- how relevant tax provisions direct the purpose of the valuation exercise
- how changes in value affect resulting liability to tax.

#### Level 3

Provide evidence in relation to asset taxation matters and the conduct of negotiations with national taxation authorities.

Examples of activities and knowledge comprised within this level are:

- negotiate valuations with the relevant taxation authority on a realistic basis
- provide reasoned advice to clients on how taxation provisions direct the purpose of the valuation and set parameters for conduct.

## Valuation of businesses and intangible assets

This competency is about the preparation of formal valuation reports that are fit for purpose and provide reasoned explicit commentary and analysis of the valuation, placing it in context.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the purposes for which valuations of businesses and/or intangible assets are undertaken, the relevant valuation methods and techniques, the appropriate standards and guidance, and any relevant statutory or mandatory requirements for this type of valuation work.

Examples of knowledge comprised within this level are:

- the main drivers that affect value
- the principles and application of the latest relevant valuation standards
- the principles of Professional Indemnity Insurance
- the underlying principles of business and finance, law and other relevant regulations or controls that affect value
- the different reasons for which business and intangible asset valuations may be required
- the principles of the various methodologies of business valuation
- the importance of independence and objectivity
- the different levels of service required, for example desktop advice versus a full valuation.

#### Level 2

Apply your knowledge and understanding of business valuations showing detailed involvement with the preparation and presentation of client reports. Demonstrate your ability to use the valuation methods and techniques appropriate to your area of practice. Show how any relevant standards and guidance have been applied to your experience.

Note: to achieve Level 2, candidates will not necessarily be carrying out valuations as part of their full-time day-to-day activities.

Examples of activities and knowledge comprised within this level are:

- understanding client requirements and the preparation of Terms of Engagement
- information gathering relevant to the valuation work being undertaken
- analysis and interpretation of comparable evidence
- application of a range of valuation methods and techniques
- demonstrate competence in carrying out valuation advice from inception to completion of a range of assets from: trading businesses, other businesses, unquoted shares, intellectual property, intangible assets, options, financial instruments or liabilities.

#### Level 3

Demonstrate practical competence in undertaking business valuations and their component parts for a range of purposes. Demonstrate the application of the relevant valuation methods and techniques and a thorough knowledge of the appropriate valuation standards and guidance and how they are applied in practice.

Note: the businesses considered may relate to a particular sector but the candidate's experience should cover providing clients with valuation advice on a range of types of businesses and their component parts for a range of purposes, such as for financial statements, internal management, purchase or sale reports, tax and litigation, but not necessarily all of these. The types of businesses and their component parts should ideally be varied both in terms of usage, interest and size.

Examples of activities and knowledge comprised within this level are:

- preparing valuation reports and advice to meet client needs and complying with the latest relevant valuation standards
- knowledge of relevant legislation and standards in other areas of business, such as accounting standards and how these set the valuation framework for share transactions, company/business or asset sales, fiscal valuations including transfer pricing, litigation, etc.
- knowledge of the main drivers that affect value including an understanding of the wider influences such as government policy, the economic climate, technological change and other investment medium
- demonstrate knowledge as to how valuation advice inter-relates with the client's other professional advisers' work (if appropriate).



## Valuation reporting and research

This competency is about the preparation of formal valuation reports that are fit for purpose and provide reasoned explicit commentary and analysis of the valuation, placing it in context.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the nature and context of valuation reports, research analysis, interpretation and validation of information.

Examples of knowledge comprised within this level are:

- the different internal and external information that is required in valuing a range of assets
- the techniques used to research, analyse and interpret key inputs for appraisal purposes.

#### Level 2

Apply your knowledge of valuation reporting and research to analyse and interpret key inputs for appraisal purposes, benchmarking techniques, valuation context and settings.

Examples of activities and knowledge comprised within this level are:

- the requirement to verify and validate the information that underpins key inputs and knowledge of how to implement these checks
- the ability to interpret and articulate how research and analysis carried out underpins the valuation outcome as directed by the purpose of the valuation.

#### Level 3

Provide evidence of reasoned advice in relation to valuation reports, valuation standards, methodologies, validation and interpretation of inputs and data.

Examples of activities and knowledge comprised within this level are:

- provide clients with valuation reports that reflect the appropriate use of internal and external information inputs of a range of assets
- provide up-to-date advice and reporting that reflects the appropriate use of research and analysis techniques as well as the reasonable interpretation and clear articulation of it, with regards a range of assets
- provide up-to-date advice that reflects the appropriate use of verification and validation techniques in relation to key information inputs within the body.

## Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

Enquiries  
[contactrics@rics.org](mailto:contactrics@rics.org)



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