

## Valuer Registration - Frequently Asked Questions

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## 1. Why Valuer Registration?

### What is Valuer Registration?

The Valuer Registration scheme is our quality assurance mechanism that monitors all registered RICS members who carry out valuations within the scope of RICS Valuation Standards “Red Book” in order to ensure consistent standards.

### Why did you launch Valuer Registration?

Valuations underpin nearly every financial decision in the global marketplace – from home mortgages and investments to corporate finance transactions, assessment of company accounts and stock exchange listings.

As high-quality valuation is an important underpinning of the global economy, it is essential that the profession maintains public confidence in this high-risk area of surveying practice. Through the effective assurance provided by Valuer Registration, RICS supports the profession in achieving this.

## **How will I benefit from registering with RICS Valuer Registration?**

RICS Valuer Registration and regulations will provide you with:

- Market advantage – clients, lenders and insurers are increasingly requiring RICS Registered Valuers.

RICS Registered Valuers will be clearly identifiable to clients and public authorities around the world as well regulated, qualified and experienced professionals within the field.

- Support in improving processes and systems, embedding best practice, and driving down risk through our programme of regulatory assurance and advice.
- An improved perception of valuers in the eyes of users of valuation services and other regulators, maintaining your RICS qualification as the gold standard in the built environment.
- Targeted monitoring that looks at areas that RICS Regulation believes to pose the highest risk.

## **How does Valuer Registration differ from my firm's auditing requirements?**

Valuer Registration focusses on the valuation process rather than assessing whether the valuation figure is correct. In doing so, we present our findings to allow a valuer or firm to improve quality and reduce risk across their valuations.

Valuer Registration monitoring complements a firm's quality assurance procedures. It adds value by bringing an external layer of assurance to demonstrate compliance with RICS standards. Where there are areas for improvement we provide the guidance, tools and training to implement our recommendations and bring firms or individual valuers back into compliance.

## **How did this scheme come into being?**

RICS Valuer Registration was first launched in the UK in October 2010 after thorough consultation and with the overwhelming support of elected members of RICS Governing Council.

It was then introduced in the rest of Europe in 2011 as a voluntary scheme, and is currently mandatory for RICS members practising valuation in [a large number of markets](#). It is now becoming mandatory for all RICS members practising valuation.

## **2. Your status as RICS Registered Valuer**

### **Is Valuer Registration recognised by the market?**

Major banks and mortgage providers around the world back RICS Valuer Registration. They have done so because the scheme inspires confidence in the quality of valuation services. RICS promotes the importance of using RICS

Registered Valuers to banks, insurers, other clients and all stakeholders in the global marketplace.

**How will clients know I hold the RICS Registered Valuer designation?** You will be issued with a certificate once you have registered on the scheme and you will be listed on the global member directory <http://www.rics.org/gmd> as a Registered Valuer.

The following examples show how the search results will identify an individual's membership grade, qualification date and registration status:

<b>AssocRICS</b> Qualified 23 May 2014 Registered Valuer	<b>MRICS</b> Qualified 26 November 2007 Registered Valuer	<b>FRICS</b> Qualified 20 November 1998 Registered Valuer
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You will also be able to use the 'RICS Valuer Registration' designation and logo to promote your status in the market.



RICS members who carry the designation MRICS or FRICS and who sign up to Valuer Registration may use the scheme designation 'RICS Registered Valuer' and the logo on their personal stationery.

RICS members who carry the designation AssocRICS and who sign up to Valuer Registration must use the scheme designation 'AssocRICS Registered Valuer'. Associate members are not permitted to use the logo above.

**Will firms be eligible to use the RICS Registered Valuer designation?**

No. It is a designation for individual members only. If a firm is listed in [www.ricsfirms.com](http://www.ricsfirms.com), individual Registered Valuers working for that firm will be mentioned in the firm's entry.

### **3. Valuer Registration, national law and client requested standards**

**I am an RICS member carrying out valuations in accordance with national law, do I still have to apply for Valuer Registration and does the Red Book still apply to me?**

Yes, all RICS members are required to value in accordance with the Red Book. Valuer Registration is open to, and in most countries mandatory for, all RICS qualified members undertaking valuations. The list of mandatory locations can be found at [www.rics.org/valuerregistration](http://www.rics.org/valuerregistration).

### **How do I take national law into consideration?**

The Red Book provides for cases where jurisdictional or other valuation standards must be complied with. In these cases, where a valuation must be carried out in accordance with other mandatory prescribed statutory or legal procedures, this compliance will not be considered as a departure from the Red Book, as long as the requirement to do so is clear.

In such cases, the valuation report and terms of engagement must include a statement which clarifies that the above-mentioned standards have been complied with. This valuation can still be declared as performed in accordance with the Red Book.

### **What do I do when a client asks for a different standard?**

RICS recognises that clients may request valuers to provide a report that complies with valuation standards other than the Red Book.

When following client's instructions, RICS members may value according to another standard as long as they comply with the Red Book requirements that prescribe that any departures from Red Book must be declared.

Following the departure guidelines makes this type of valuation a "Red Book Valuation" which complies with RICS requirements. Therefore, it is possible to conform to another standard, while undertaking a Red Book valuation.

Following the publication of the RICS Valuation – Global Standards 2017, the most significant changes to the previous version of the Red Book have been explained [in this document](#).

## **4. Valuer Registration and Regulated firms**

### **Can firms sign up?**

No. Valuer Registration is only open to individual valuers, but organisations who want to sponsor their employees may do so. They will first need to register as Regulated by RICS and will be able to register their RICS employees at a reduced fee through the firms' portal.

*For more information on firms' regulation please visit*

*<http://www.rics.org/regulatemyfirm>*

### **What are the benefits for the firm?**

Regulated firms sponsoring their RICS employees for Valuer Registration can reduce risk on a broader scale and disseminate best practice to the entire company. They will also benefit of a reduced fee that goes down with the number of sponsored valuers going up.

### **What information is required from RICS regulated firms?**

When registering for the first time RICS regulated firms are asked to identify which of their employees are RICS valuers. The firm is also asked to provide some data about the firm's valuation activities.

*For more information please visit [www.rics.org/valuerregistration](http://www.rics.org/valuerregistration)*

## **5 The monitoring process**

### **What will monitoring include and how often will it be done?**

The monitoring of RICS valuers is undertaken through a series of risk-based activities:

- **Submission of information:** when a member submits the online application for Valuer Registration a risk profile is created based on the answers provided to an extended questionnaire and verified by the Regulation team. The risk score can trigger further assessment questions, including checking information against Red Book requirements and the process and the audit trail the valuer has in place. The risk profile of each Registered Valuer is updated annually and, based on submissions, further enquiries can be led.
- **Desk Based Reviews (DBR):** as part of the Valuer Registration monitoring system, RICS Regulation team undertakes Desk Based Reviews aimed at checking the valuation activity of a larger number of members. Registered Valuers can be selected for a DBR randomly, on the basis of a risk triggered by the general monitoring activity or on the basis of a specific complaint submitted to RICS. This review is based on key documents such as terms of engagement, reports and other standard documentation analysed for Red Book compliance. As a follow-up, members receive an assessment report on their level of compliance and areas for improvement. In case of low performance, the Desk Based Review can trigger further action.
- **Regulatory Review Visit:** as part of the monitoring activity, VR members can also receive a Regulatory Review Visit. Typical risk-based elements that can trigger a visit are: a low number of valuations in a high-risk field, very high number of valuations, and substantiated evidence of questionable business practices.

The visit is undertaken by an RICS reviewer and can take the forms of:

- A visit to the firm's office(s) to review systems and processes and a selection of valuation files
- Remote Site Inspections - A request for remote file inspection along with a review of key documents

The RRV consists of an in-depth analysis of the valuation dossiers followed by a discussion. As a core part of the process, the reviewer provides advice and guidance and uses lessons learned previously to help all members to comply with their professional and statutory duties. After the visit, the Registered Valuer receives a report including recommendations and guidelines on how to improve the procedures and is requested to do a formal follow-up.

### **How does RICS protect confidential data?**

RICS fully adheres to EU legislation on data protection and has in place data protection policies and processes to meet these requirements. All RICS employees must undergo annual mandatory data protection training. Furthermore, robust data protection and information security clauses are in place for all contracts with 3<sup>rd</sup> party data processors.

### **Do I have to inform clients that my files might be reviewed?**

Yes, RICS Valuation Standards oblige RICS members and regulated firms to inform clients that they are subject to external monitoring by RICS and that their files might be reviewed.

### **How can I reassure clients concerned about the confidentiality of our files?**

RICS regulates many firms with internal quality assurance regimes and confidentiality requirements. While reviewing files is integral to delivering the quality assurance that the market expects from RICS regulation, we offer firms and professionals a range of options to ensure they can undergo the monitoring process while still being able to meet their confidentiality requirements.

Please [contact us](#) if you have any questions.

### **When should I expect my first file review or any other form of monitoring and control from RICS?**

Registered Valuers are selected for file review on a risk-based criteria. There is therefore no fixed timeframe or frequency for file review. However, adequate notice as well as practical information is given prior to the visit.

### **How often can a registered valuer be reviewed?**

A registered valuer can be reviewed as often as is deemed necessary by RICS. We take a risk-based approach. Those valuers exposed to higher risk may expect more frequent reviews.

### **How many registered valuers from the same company can expect to be reviewed at the same time?**

In the case of smaller firms, we usually try to sample a couple of files from each Registered Valuer. For larger firms, as this is not possible, we try to review a representative sample with a minimum of 15% of Registered Valuers reviewed for each large firm.

### **Am I informed about an audit in advance? What material is requested and how much time does an audit take?**

The on-site reviews will normally take 1 or 2 days with adequate notice given. The file review notification also includes practical information on what material is requested.

### **How is the officer who monitors work on behalf of RICS selected?**

Our team of reviewers are consultants contracted by RICS for the purpose of conducting file reviews and are selected based on their expertise in the fields of valuation and auditing.

## **6 Eligibility**

### **What are the requirements to join Valuer Registration?**

In many markets, RICS members undertaking Red Book valuations must join Valuer Registration. A list of markets where VR is mandatory for RICS members, can be found on [rics.org/valuerregistration](https://www.rics.org/valuerregistration)

To join, professionals need to demonstrate either:

- + valuation competency to Level 3 for Chartered Surveyor (MRICS) assessment;
- + business valuation competency to Level 3 for Chartered Surveyor (MRICS) assessment; or,
- + valuation competence at AssocRICS level (if qualified as an Associate RICS member).

### **What does Level 3 competency in valuation mean?**

Level 3 competency is defined as follows:

“Demonstrate practical competence in undertaking valuations, either of a range of properties or for a range of purposes. Demonstrate the application of a wide range of valuation methods and techniques. Be responsible for the preparation of formal valuation reports under proper supervision and provide reasoned advice. Demonstrate a thorough knowledge of the appropriate valuation standards and guidance and how they are applied in practice.”

### **How do I obtain Level 3 competency?**

[Here](#) you can find more guidance on how to obtain level 3 competency.

### **Who counts as a 'valuer' within the terms of the scheme?**

The scheme applies to any member of RICS undertaking valuation services, including any person who is responsible or who accepts responsibility for calculating and ascribing a written opinion of value. This may include individuals who produce, but do not sign valuation reports within their organisation and individuals who sign, but do not produce valuation reports within their organisation.

### **Are there exemptions to the obligation to join Valuer Registration?**

Members whose activity doesn't fall in the scope of the Red Book don't need to join Valuer Registration. All the exemptions are listed in the Red Book.

### **I only provide valuation advice as part of agency or brokerage work: am I required to join Valuer Registration?**

No. According to PS1, 5.4 it is recognised that for some purposes the mandatory application of VPS 1 to VPS 5 would not be appropriate – specifically where a member is providing an agency or brokerage service in respect of the acquisition or disposal of one or more assets – to which activity the RICS global practice statement and guidance note, *Real estate agency and brokerage guidance*, 3<sup>rd</sup> edition (2016) applies. This exception covers the provision of advice in the expectation of, or in the course of, an agency instruction to acquire or dispose of an interest in an asset. It also covers advice on whether a given offer should be made or accepted. However, the exception does not cover a purchase report that includes a *valuation*.

Although not mandatory in such circumstances, the adoption of the relevant standards is nevertheless encouraged where not precluded by the specific requirement or context.

### **I only undertake internal valuations: do I need to join Valuer Registration?**

No, RICS members undertaking only internal valuations don't need to join Valuer Registration.

### **What is an internal valuation?**

Valuation can be considered to be internal only when it is provided as part of the internal decision making/advice process and the results of the valuation are not presented/available to outsiders and therefore they are not being relied on by the third party.



**I work in the public sector. Does Valuer Registration apply to me?**

If you undertake valuations covered by the Red Book then you need to sign up to the scheme, but please note this excludes tax assessment. If the activity is exempt under PS1 of RICS Valuation Standards then it is not necessary to register on the scheme.

**I only undertake a small number of Red Book valuations. Do I have to register?**

Yes. Even if you only undertake occasional Red Book valuations, you need to become a Registered Valuer.

**I am an RICS candidate who will sit for my exam next year. When should I register for Valuer Registration?**

You can only apply for Valuer Registration once you have met the membership criteria, which happens after the Assessment of Professional Competence (APC) final assessment.

**Is RICS Valuer Registration open to non-members?**

No. The scheme is only open to RICS members.

**If I am no longer an RICS member, can I still belong to the RICS Valuer Registration?**

You have to hold RICS membership to become an RICS Registered Valuer. If you resign from RICS membership you will also need to de-register from the scheme.

**If my area of practice changes from valuation, what would I need to do?**

You have the choice to remain an RICS Registered Valuer paying the necessary fees or not to renew when the next annual fee is due. You must not undertake valuations if you decide not to renew.

**If I start practising within valuation what do I need to do?**

As an RICS valuer you will need to join Valuer Registration.

## **7 How to register as an RICS Registered Valuer**

### **7.1. Application process**

For more information please visit <http://www.rics.org/registervr>

**How do I register as an RICS Registered Valuer?**

Registration is online. You can start the application process through the [professional portal](#).

Firms can sponsor their RICS qualified valuers for Valuer Registration. For more guidance on Firm Sponsorship please visit <https://www.rics.org/uk/upholding-professional-standards/regulation/how-we-regulate/professional-portal/>

For more information on registering, please visit <https://www.rics.org/uk/upholding-professional-standards/regulation/valuer-registration/>

### **What information are valuers being asked to provide?**

All valuers registering on to the scheme are required to provide information about the nature of valuations they undertake.

If you work in an organisation that is sponsoring you then you will first be identified by your firm as a valuer and you will then receive an email from RICS inviting you to register yourself onto the scheme.

If you are applying as an individual then the information will be requested when you register for the first time. Individual applicants will be asked more detailed questions than those from an RICS regulated firm.

### **How do I need to tailor my answers in terms of who is undertaking surveying activities?**

You should answer these questions based on the department within your organisation which is registered with RICS.

### **Does the highest valuation figure requested during the Valuer Registration application/annual return system have to be an exact figure?**

The value does not have to be exact, and can be rounded up, within reason. This figure should be the same as the figure reported to Professional Indemnity Insurers in your renewal form.

### **The VR application/annual return system asks to prioritise the valuation type; does it relate to the value or the number of valuations?**

You must prioritise the valuation types (valuations of a certain assessment class) by the number of valuations, not their value.

**When carrying out portfolio valuation, should I count each property as a separate valuation or does one portfolio count as one valuation?** If it's a portfolio valuation each asset in that portfolio should be counted for. So, 1 portfolio of 50 properties should be counted as 50 valuations and not 1.

### **Do members of the scheme receive a certificate?**

Yes, the members of the scheme will receive a certificate.

## **7.2. Fee scale and payment**

### **What is the cost to join Valuer Registration?**

The standard fee structure is available at [www.rics.org/vrfees](http://www.rics.org/vrfees).

Valuer Registration is run at cost only and so fees cover the cost of the scheme and monitoring of the standards practised by those on the scheme only. As the scheme is only aimed at members in the valuation sector, it is only fair that these members fund the scheme, and therefore it is not subsidised by other members. This is in line with other schemes RICS operates.

### **Are all the rates identical?**

Sponsoring organisations or RICS regulated firms (large or small), that sponsor their members, shall be charged a lower rate per valuer than those applying individually from outside a regulated firm. For organisations the fee structure is layered (i.e. the firm pays more for the first valuer, less for the subsequent 4 valuers, less again for the subsequent 5 valuers and so on). This pricing structure reflects the fact that there are economies in monitoring firms with a large number of valuers.

Details of the full fee structure are available on [www.rics.org/vrfees](http://www.rics.org/vrfees).

### **Can firms pay the fees on behalf of their employees?**

Yes. Regulated firms that have registered to sponsor members for the scheme will be billed centrally for all their sponsored employees.

### **Is the charge a one-off fee or will it be an annual requirement?**

There is an initial registration fee to join Valuer Registration and an annual fee thereafter. The annual fee will be due at renewal.

### **What methods of payment are available?**

Members will be able to pay online on the [RICS Professional Portal](http://www.rics.org/professional-portal) after completing the application form.

Firms can sponsor their RICS qualified valuers for Valuer Registration. For more guidance on Firm Sponsorship please visit <https://www.rics.org/uk/upholding-professional-standards/regulation/how-we-regulate/professional-portal/>

### **When will I get my receipt?**

Once payment is confirmed a receipt will be generated automatically and sent to the email address you entered when you registered for RICS Valuer Registration.

### **Can I request an invoice detailing the costs of registering on the scheme?**

You can see the full list of fees at <http://www.rics.org/vrfees>. If you have registered on the scheme and paid online then you should have been issued a receipt. If you work for an RICS regulated firm that is sponsoring your registration, the firm will be invoiced directly.

### **What is the refund policy?**

Once registration has been completed there will be no refunds of the registration or annual fees.

**Fee Structure/ processes – who approved fees?**

RICS Management Board requires that all schemes are self-funding. They require that schemes do not make a profit and that they run at cost.

**When are renewals due?**

Members will be required to renew their scheme registration approximately 12 months from the date of registration and at the same time in subsequent years. Members that are sponsored by an RICS Regulated firm will be required to renew following the firm's annual return and at the same time in subsequent years. This is to ensure that the firm and member renewals can be at the same time each year.

**Will I be reminded when it is time to renew my membership of the scheme?**

Yes, you will receive an email when it is time to renew. Please ensure we have your current email address and are made aware if you change it at any time.

**What happens if I register on the scheme but become unemployed, and cannot pay my annual renewal?**

You may re-join the scheme when you start practising again as a valuer.