

## Terms of Reference

### Material Valuation Uncertainty Leaders Forum (UK)

#### Purpose

This Leaders Forum has been convened to consider the impact of the global COVID-19 pandemic and its aftermath on UK valuation assignments, with a particular focus on financial reporting, material valuation uncertainty and market conditions.

The purpose is to provide a platform where valuation professionals can share insight with each other on existing and emerging risks and to share other contemporary matters of general and common interest to the industry, wider stakeholder community and public good.

There will be a particular focus on measures for the accurate and consistent reporting of material valuation uncertainty in accordance with *RICS Valuation Global Standards* (Red Book).

**Attendees, other contributors or participants must not discuss matters formally or informally that could breach competition law, including but not limited to matters of client relationships, pricing, liabilities or share market or other market-sensitive information or relevant regulatory guidance.**

All participants must have received and read these terms of reference.

Attendees may consult, exchange ideas and information to promote best practice in valuation, with a public interest ethos. The forum also provides a feedback loop so that agreements on good practice can be shared and endorsed by relevant stakeholders.

The forum will discuss options, ideas and relevant data with the aim of helping to:

- ensure that valuation professional services continue to underpin confidence in lending, investment and financial reporting so that the market works in a way that supports the right conditions for the delivery of a valuation service
- promote best practice
- consider the implications of legal, technical, regulatory, advisory and all other relevant issues, in the interest of supporting wider stakeholder confidence and trust in valuation
- consider and promote external communications and engagement around the outputs of the forum and the criteria on which they are based

#### Principles

Members of the forum shall adhere to the following principles which underpin the rationale for the forum:

- transparency
- partnership
- mutual respect and understanding
- a public interest ethos

## Subgroups and additional expertise

In addition to the main forum, a series of subgroups have been scheduled to gather insight relevant to individual sectors of the real estate market. These include:

- Residential (investment)
- Industrial
- Office
- Retail
- Alternatives (hospitality and leisure)
- Alternatives (other)
- Public sector

A group of experts representing the wider residential mortgage market will also meet to discuss and provide recommendations specific to that sector.

The sector groups will meet at different frequencies dependent on the issues in that particular market. Subgroup forums are undertaken on the same terms as the main forum, contained herein.

## Outputs

Outputs of the forum should inform and contribute to debate, known challenges, risks and common understanding within the profession, RICS, other professional bodies, government, local government, government agencies, trade bodies, lenders and third-party sectors. The forum will principally be a promoter of best practice.

Where appropriate, RICS will use intelligence from the forum in its wider communications, press, government and regulator relationships. RICS will make representations highlighting good practice solutions to challenges, raising issues of concern to the sector and allowing a correct understanding of valuation matters to support the market and wider public interest.

Where appropriate, outputs from the forum will be published on the RICS website:

<https://www.rics.org/uk/upholding-professional-standards/sector-standards/valuation/rics-material-valuation-uncertainty-leaders-forum-uk/>

## Membership

The forum will be comprised of professionally active, RICS registered valuers with relevant knowledge.

Membership is by invitation only, reserved for those parties that are willing to engage in constructive dialogue for the benefit of all participants and the wider public interest.

RICS, in consultation with the forum, will be responsible for reviewing the forum's membership and terms of reference on an ongoing basis.

Member firms will have their names published on the RICS website at the webpage above.

## Meetings

Given the unique circumstances of the COVID-19 pandemic, all meetings will be conducted through the RICS corporate Teams account or appropriate conferencing alternative instigated by RICS. Attendance is preferred by way of access through a laptop or other desktop computer or tablet, where possible using a headset or other facility for higher quality sound and input. Attendees are asked to contribute from a quiet location, and ensuring they are on mute when not speaking. Attendance by phone will be available but is asked to only be used when no other option is available or working.

An RICS representative will preside over and conduct the meetings in an inclusive manner.

## Guests

Additional representatives from stakeholder organisations may, in appropriate circumstances, and with the notification of the forum or relevant sub-group, also be invited to contribute to the forum. Appropriate stakeholders might include but are not limited to representatives of:

- regulators
- other professional bodies or trade bodies
- operators
- other RICS registered valuers who might not regularly attend
- members of other RICS forums
- RICS staff
- financial or legal expertise
- data providers.

## Authority

It is for the RICS representative to determine the forum agenda, with the input of forum members in accordance with RICS objectives and values.

## Escalation

Escalation is to the RICS Regulatory and Standards Board via the RICS representative.

## RICS Representative

RICS will put forward a representative to attend and chair meetings. In collaboration and communication with forum attendees they will:

- draft an agenda
- set dates for meetings and organise conferencing services
- liaise with attendees on relevant matters outside meetings
- note action points and make sure they are appropriately monitored and met
- represent the forum along with relevant participants in other key stakeholder meetings

The RICS representative will not perform secretariat functions and minutes will not be recorded. RICS will endeavour to have an assigned and continual representative for each meeting but may need to change the representative on occasion.

### **Confidentiality and Information Sharing**

Each forum member is at liberty to decide what information they disclose to the forum or subgroup. Any information exchanged during forum or subgroup meetings, or under the auspices of the meeting, should be treated as confidential unless stated otherwise.

Each member agrees not to disclose this information to any third party unless the forum agrees. All communications regarding the forum to press, other professionals, clients, regulators and government should be directed through RICS.

### **Funding**

The forum will be self-funded by attendees, and all participants or attendees must make their own arrangements to attend and bear any associated costs of attending or otherwise participating.

**Due for review: February 2021**