

## Professional Standard 9

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### Conflicts Of Interest And Independence

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Exposed Draft

Auctioneers & Valuers Association of Australia  
Reference: 4.27.2

## Introduction

The Auctioneers and Valuers Association of Australia (AVAA) is committed to strengthening professionalism, integrity, and public confidence across the valuation and auction sectors. This *AVAA Professional Standard* forms part of a broader framework designed to support consistent practice, ethical conduct, and accountability across the diverse services provided by members.

Professional standards play an important role in defining expectations for those who hold themselves out as skilled practitioners. They establish clear principles for conduct, competence, and responsibility, helping practitioners, clients, and regulators understand the level of professionalism that should reasonably be expected in the marketplace.

Conflicts of interest may arise in many forms within professional practice. Some conflicts are direct and obvious, while others may arise through commercial relationships, personal interests, financial incentives, referral arrangements, ownership interests, commission structures, prior dealings, or competing duties owed to multiple parties. Even where a practitioner believes they can act impartially, the existence or appearance of a conflict may undermine confidence in the integrity and independence of the engagement.

This Professional Standard establishes principles governing conflicts of interest and professional independence in valuation and auction practice. It recognises that not all conflicts can be entirely avoided in commercial practice; however, conflicts must be appropriately identified, carefully assessed, transparently disclosed, and responsibly managed.

This standard has been developed through consultation with practitioners and informed by regulatory frameworks, industry experience, and evolving client and government expectations. It is intended to provide practical guidance while reinforcing the importance of transparency, diligence, and professional judgement in everyday practice.

Those holding the AVAA Certified Valuer (CV<sub>AU</sub>), the AVAA Certified Auctioneer (CA<sub>AU</sub>), plus AVAA Corporate Members apply this *AVAA Professional Standard* to demonstrate a commitment to continuous business improvement and professional accountability. In doing so, they contribute to a stronger and trusted sector where valuers are recognised not only for their expertise but also for the integrity and reliability of their work.

Troy R Williams FAIM MAICD  
AVAA Chief Executive

May 2026

## Professional Standard 9

### Title —

AVAA Professional Standard 9 – Conflicts of Interest, Independence & Disclosure

### Purpose —

The purpose of this Professional Standard is to establish principles governing the identification, management, disclosure, and documentation of conflicts of interest in valuation and auction practice.

This Professional Standard promotes professional independence, transparency, ethical conduct, and informed client decision-making while recognising the importance of maintaining public confidence in professional valuation and auction services.

### Scope —

This Professional Standard applies to conflicts of interest arising in connection with valuation and auction services in circumstances capable of influencing professional judgement or independence.

### Application —

This Professional Standard applies to all individuals who hold the AVAA Certified Valuer (CVAA), and AVAA Certified Auctioneers (CAAA), and AVAA Corporate Members that provide valuations.

### Standard —

#### 1. Principle Of Independence

- 1.1 Valuers and auctioneers must exercise independent professional judgement in the performance of their professional duties.
- 1.2 Professional opinions, recommendations, valuation conclusions, reserve recommendations, marketing advice, and auction conduct must not be improperly influenced by personal interests, financial incentives, external pressures, or competing obligations.
- 1.3 Valuers and auctioneers must act in a manner that promotes confidence in the integrity, fairness, objectivity, and transparency of professional practice.

#### 2 Identification Of Conflicts Of Interest

- 2.1 Valuers and auctioneers must take reasonable steps to identify actual, potential, or perceived conflicts of interest arising in connection with a professional engagement.
- 2.2 Conflicts of interest may arise from circumstances including, but not limited to:
  - a. financial interests in property, assets, businesses, or transactions.
  - b. ownership interests or beneficial interests.
  - c. commissions, incentives, referral fees, or contingent remuneration arrangements.
  - d. family, personal, business, employment, or close professional relationships.
  - e. acting for multiple parties with competing interests.
  - f. prior involvement in transactions or disputes relating to the subject matter.
  - g. financial dependence upon a client or related party.

- h. arrangements capable of influencing professional recommendations or conclusions.
  - i. direct or indirect interests in the outcome of a valuation, sale, auction, negotiation, dispute, or transaction.
- 2.3 A conflict of interest may exist regardless of whether improper conduct has occurred.
- 2.4 Valuers and auctioneers must consider both actual conflicts and circumstances that could reasonably give rise to a perception that independence or objectivity may be compromised.

### **3 Conflicts Of Interest Management**

- 3.1 Where a conflict of interest is identified, the valuer or auctioneer must assess whether the conflict can be appropriately managed while maintaining professional independence and fairness to affected parties.
- 3.2 Where a conflict cannot be appropriately managed, the practitioner should decline, withdraw from, or refrain from accepting the engagement.
- 3.3 Management of conflicts may include:
- a. disclosure to affected parties.
  - b. obtaining informed client acknowledgement.
  - c. implementing internal separation of responsibilities.
  - d. restricting access to confidential information.
  - e. limiting the scope of engagement.
  - f. obtaining independent review or oversight.
  - g. documenting the steps taken to manage the conflict.
- 3.4 The existence of client instructions or consent does not remove the obligation to maintain professional integrity and independence.

### **4 Disclosure Obligations**

- 4.1 Actual, potential, or perceived conflicts of interest that may reasonably influence professional judgement or client decision-making must be disclosed to the client and, where appropriate, other affected parties.
- 4.2 Disclosure should occur as early as reasonably practicable and prior to the provision of substantive professional services where possible.
- 4.3 Disclosures should be sufficiently clear to allow the client to make an informed assessment of the circumstances.
- 4.4 Where a conflict of interest is material to the engagement, the conflict should be documented within:
- a. engagement agreements.
  - b. auction authority agreements.
  - c. valuation instructions.
  - d. agency agreements.
  - e. valuation reports where relevant.
  - f. auction terms and conditions where relevant.
  - g. other professional documentation associated with the engagement.
- 4.5 Where an identified conflict continues throughout the engagement, the practitioner should consider whether ongoing or updated disclosure is appropriate.

## 5 Contingent And Outcome-Based Interests

- 5.1 Valuers and auctioneers must avoid remuneration structures or arrangements that improperly compromise professional independence or create incentives inconsistent with objective professional conduct.
- 5.2 Valuation fees must not be structured in a manner that directly links remuneration to the assessed value, outcome, or conclusion of the valuation assignment.
- 5.3 Auctioneers must ensure commission structures, incentives, vendor arrangements, purchaser arrangements, or related commercial interests do not improperly compromise fairness, transparency, or professional conduct during the auction process.
- 5.4 Any financial incentive, commission arrangement, rebate, referral arrangement, or commercial benefit capable of influencing professional conduct should be disclosed where material to the client's decision-making.

## 6 Acting For Multiple Parties

- 6.1 Valuers and auctioneers must carefully consider conflicts arising where services are provided to multiple parties connected with the same transaction, dispute, asset, or matter.
- 6.2 A practitioner must not act where competing duties prevent the fair and independent discharge of professional obligations.
- 6.3 Where services are provided to multiple parties, including multiple clients dealing in similar or competing asset classes, the practitioner should ensure that:
  - a. all affected parties are aware of the relevant relationships where appropriate (*e.g.* the same type of asset may be auctioned for another client)
  - b. confidentiality obligations between clients are maintained.
  - c. commercially sensitive information obtained from one client is not improperly disclosed or used for the benefit of another client.
  - d. independence, fairness, and professional objectivity are preserved in relation to each engagement.
  - e. the practitioner remains capable of exercising independent professional judgement without favouring the interests of one client over another.

## 7 Professional Judgement And Consumer Protection

- 7.1 Clients are entitled to receive services delivered with honesty, transparency, fairness, and professional independence.
- 7.2 Valuers and auctioneers must not exploit conflicts of interest, information imbalances, or positions of trust for personal advantage.
- 7.3 Professional recommendations, valuation conclusions, reserve recommendations, marketing advice, and auction conduct must remain supportable, evidence-based, consistent with professional obligations, and, where required, prepared in accordance with the relevant AVAA Professional Standard.
- 7.4 The management or disclosure of a conflict of interest does not reduce the practitioner's obligation to act competently, ethically, and in accordance with applicable professional standards.

## 8 Documentation And Record Keeping

- 8.1 Valuers and auctioneers should maintain appropriate records relating to identified conflicts of interest and the steps taken to manage or disclose those conflicts.
- 8.2 Records may include:
- details of the identified conflict.
  - disclosures provided to clients or affected parties.
  - acknowledgements or consents received.
  - internal management measures adopted.
  - decisions relating to acceptance, continuation, or termination of the engagement.

## 9 Prohibited Conduct

- 9.1 Valuers and auctioneers must not knowingly engage in conduct where their personal, financial, or commercial interests improperly override professional independence or fairness.
- 9.2 Valuers and auctioneers must not conceal material conflicts of interest from clients where those conflicts may reasonably influence client decisions or confidence in the engagement.
- 9.3 Valuers and auctioneers must not misrepresent the independence, objectivity, or nature of their professional relationship with a client or transaction.

## 10. Failure To Comply

- 10.1 Failure to comply with this Professional Standard itself constitutes conduct capable of consideration under the *AVAA Code of Ethics for Individual Members*, the *AVAA Code of Practice for Corporate Members*.

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### Status & Review —

AVAA Board Approval: TBA (Draft)  
Periodic Review Due: 3 Years after approval



The **Auctioneers and Valuers Association of Australia (AVAA)** is the leading national body representing professional auctioneers and valuers across a diverse range of specialties, including fine art, antiques, collectables, goods, vehicles, plant, and equipment.

#### **Our Vision**

As the peak body for auctioneers and valuers in Australia, AVAA upholds the highest professional and ethical standards through education, advocacy, and leadership.

#### **Our Mission**

To support and represent Australia's auctioneers and valuers through rigorous standards, ethical leadership, quality education, and credible advocacy, ensuring trust, professionalism, and future-readiness in a changing world.

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