



## EXPERIENCE REQUIREMENTS POLICY

To be eligible to be admitted as a Member of the Institute, the By-Laws require that an individual must have a minimum of 1,500 hours of suitable experience.

Such experience must have been obtained within a five-year period which includes the date on which the Membership Qualification Examination (MQE) was passed; however, an individual cannot be admitted into membership if more than 3 years have elapsed since the MQE was passed. A grandfathering provision in the By-Laws allows an individual who was a Registered Student on September 19, 2012 to obtain the experience within a period of five years that precedes the date that the MQE was first written.

This policy sets out what constitutes suitable experience required to become a Member.

The required minimum 1,500 hours of suitable experience includes experience comprised of:

1. A minimum of 750 hours of **Core Valuation Experience**. Such experience involves activities in connection with business valuation, corporate finance, private investments, and litigation support, where a conclusion as to the value related to a business, or where a conclusion of economic loss is reached<sup>1</sup>.

Such experience may include (but is not limited to) the following:

- a. Activities which are involved in the conclusion or assessment of value
- b. Activities which are involved in the conclusion or assessment of economic loss
- c. Activities in an investment capacity including, but not limited to, the preparation of investment studies and analyses (and related internal presentations or memos), the development of investment term sheets and/or binding or non-binding acquisition offers

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<sup>1</sup> For greater clarity, "value related to a business" may include the value of shares, assets, liabilities, or an interest in a business, but would generally exclude the value of tangible property on a stand-alone basis.

- d. Activities relating to the analysis of debt or credit capacity, when such debt or credit capacity is based on a measure of business value, such as enterprise value
  - e. Impairment tests and purchase price allocations for financial reporting purposes
  - f. Activities involved in value-creation strategies, when impact on value is determined
  - g. Corporate finance or deal advisory activities related to pricing, negotiation, financing, or deal/transaction structuring
2. A maximum of 750 hours of **Non-Core Valuation Experience**. Such experience involves activities related to business valuation, corporate finance, private investments, and litigation support, in which a conclusion of value related to a business, or a conclusion of economic loss is not reached.

Such experience may include (but is not limited to) the following:

- a. Financial modelling (i.e., creation or review of models)
- b. Quantitative and qualitative research
- c. Due diligence
- d. Transfer pricing
- e. Forensic and investigative accounting
- f. Financial ratio or trend analysis
- g. Risk analysis (e.g., investment or portfolio risk management)
- h. Teaching or research in the field of business valuation, corporate finance, private investments, and litigation support

Board of Directors  
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