EXPOSURE DRAFT:
REVISIONS TO CBV INSTITUTE CODE OF ETHICS

JUNE 10, 2026

Comments Must Be Received By: September 30, 2026

EXPOSURE DRAFT

This Exposure Draft concerning proposed revisions to the Code of Ethics is issued by The Canadian Institute of Chartered Business Valuators (“CBV Institute” or the “Institute”) for comment. This Exposure Draft contains proposed changes which will impact all CBVs and Registered Students of CBV Institute. Overall, the proposed revisions aim to:

- update the Code of Ethics and remain at the forefront of global best practices,
- add interpretative guidance in areas where practice questions commonly arise or which have been the subject of past professional conduct complaints, and
- modernize the Code for technological and other developments.

Together, the revisions strengthen ethical conduct, safeguard the public interest, and reinforce the integrity of the CBV profession.

Individuals and organizations are invited to send responses via comment letter to: Heather.Bennett@cbvinstitute.com, no later than **September 30, 2026.** Comments are requested from those who agree with the proposed changes as well as from those who do not.

Materials and attachments included with this Exposure Draft:

1. Clean version of CBV Institute *Code of Ethics (2026)*
2. Redline version of CBV Institute *Code of Ethics* (compared to the 2012 Code of Ethics)

Comments are most helpful if they refer to a specific paragraph or group of paragraphs, and if expressing disagreement with the proposed revisions, they clearly explain the issue, and include a suggested alternative supported by specific reasoning.

CBV Institute leads the Chartered Business Valuator (CBV) profession – Canada's only designation dedicated to business valuation since 1971. With CBVs and Students across Canada and around the world, we uphold the highest standards of business valuation practice through education, accreditation and governance of the valuation profession, for the benefit of the public interest. A not-for-profit organization, CBV Institute adapts and evolves to advance the CBV profession to the forefront of business change.

INTRODUCTION

1. CBV Institute maintains the Code of Ethics (the "Code") that sets the essential principles and enduring ethical standards by which Members[1] of the Institute are expected to discharge their professional responsibilities to, and conduct their work and professional relationships with, clients, other Members, other professionals, the Institute, and the public. The Code helps maintain and safeguard the integrity, reputation, and credibility of the CBV profession and the Institute itself. The Code provides the foundation for the Institute's complaints and disciplinary process. If the conduct of a professional is alleged to be unethical or contrary to the Code, the Institute assesses the alleged conduct vis-à-vis the principles and rules of the Code and takes disciplinary action for professional misconduct if deemed appropriate.

2. The Professional Practice and Standards Committee (PPSC) is a Committee of CBV Institute's Board of Directors responsible for developing and revising CBV Practice Standards, Practice Bulletins and the Code, with the view of protecting the public's interest while providing guidance to the Members. In 2025, the PPSC undertook a comprehensive review of the Code informed by research and benchmarking. In drafting the proposed revised Code, the PPSC's objective was to maintain a

[1] As the Code of Ethics applies (with some minor exceptions) Registered Students of CBV Institute as well as Members, all references to Members in this Exposure Draft should also be read include Registered Students.

Code focussed on key professional principles but, where possible, also to add guidance to assist CBVs to navigate the complexities of practice. A rigorous review process was undertaken by the PPSC Committee with 13 meetings throughout 2025 and 2026 to discuss, debate and ultimately finalize the changes being proposed. The draft revisions were also reviewed by the Institute's legal counsel.

3. Public consultation is part of our process when amending standards and other key professional requirements to ensure that the impact of changes have been properly assessed and stakeholders have been consulted and given the opportunity to respond.

4. It is proposed that the revisions to the Code, if approved, would take effect on **January 1, 2027**.

THE NEED FOR UPDATES

5. The CBV profession has evolved since the Code was last updated in 2012 and continues to evolve. Several factors have affected the profession, necessitating a fresh look at the Code. These factors and trends include:
    a) increased scrutiny of our (self-regulated) profession,
    b) increased complexity of practice and increased sophistication of data and tools, including the use of new technologies such as artificial intelligence,
    c) increased diversity of Members, and internationalization of the CBV designation,
    d) general growth in membership and in the professional issues faced by Members,
    e) increased numbers of CBVs who offer non-independent (advisory) professional services and services outside of the valuation realm, and those who increasingly work "in house", and
    f) learnings from disciplinary matters and other proactive regulatory practices such as CBV Institute's practice inspection program.

OVERVIEW OF THE CHANGES

6. The Institute revised the Code to reflect today's core values for ethical business conduct. The key changes fall into several categories, discussed below.

   a. **Additional clarifying guidelines.** To help support Members in the application of professional judgment in potentially complex ethical and conduct matters, several new Practice Guidelines (denoted by "G" in the applicable section) have been added to the rules to answer common questions received from Members and assist in interpreting the rules. For comparison, there were only 6 guidelines in the 2012 Code, and there are over 20 in the 2026 Code. This guidance should help answer questions such as "*What constitutes good cause for withdrawing from an engagement?", "What types of situations might be considered conflicts of interest?*", and "*What constitutes professional marketing on LinkedIn?".* Where possible, we've also added illustrative examples so that the Code may be the "single source" of information for all ethical and conduct matters.

   b. **Increased documentation requirements**. The Code already contained the key concepts of integrity, independence, objectivity, competence and due care. New documentation requirements, such as documentation of independence verification, on an engagement by engagement basis, will assist Members to not only meet the ethical principles, but also provide evidence should they have a complaint filed against them. Thus, the changes proposed are meant to not only serve the public interest but also protect the Member.

   c. **Slight revisions to the principles.** Added a clear, standalone, principle requiring compliance with applicable laws, rules and regulations. Slight wording modifications to remaining principles, for clarity.

   d. **Modern professional behaviour.** Respect in today's business world is a concept that has evolved. Social media and other online platforms have blurred the lines between personal and professional personas. The Code has been updated to reflect scenarios dealing with professional behaviour and communications that have been considered by CBV Institute's Conduct and Discipline Committee in the recent past, as well as recent interactions between CBV Institute and Registered Students as they progress towards qualification as a CBV. As a result, more explicit requirements for courtesy, diversity and inclusion have been added.

e. **Impact of technology and other tools.** CBVs are adapting to the evolving opportunities and risks created by advancements in technology. The competency requirement has been modified to explicitly reference technology competency, in line with the expectations of today's business environment. Members should not simply rely upon tech tools and AI-based information without understanding how they work or where the data is coming from.

f. **Emphasizing responsibility.** The new Code states explicitly that CBVs are responsible for their actions, their work, and the services they provide. It also adds guidance on when/how Members in "public practice" should consider when not to accept an engagement or when they may responsibly withdraw professional services if the situation calls for it.

g. **Clarifying key concepts.** The new Code contains expanded guidance relating to fee transparency, advertising and marketing, use of the designation, and categories of factors to be considered when assessing whether conflicts of interest exist, among others.

h. **Plain language.** We have adopted plain language where possible to make it easier for CBV Institute Members and Registered Students to read, understand, and confidently act on the rules and the guidelines.

Lastly, CBV Institute acknowledges that professional judgment is important in complex ethical and practice matters. The PPSC is aware that the practical application of the Code requires professional judgment based on facts and circumstances. As such, the (Rules of the) Code are written in such a way, primarily, to articulate principles. The application of those principles and the determination as to whether professional misconduct has taken place is necessarily a function of the facts and circumstances and is the purview of the Conduct and Discipline Committee. The Code cannot contemplate all possible situations.

CONTEXT FOR SELECT CHANGES BEING PROPOSED

7. Select changes to the Code have been highlighted below to provide context and rationale for the revisions, and to demonstrate the considerations of the PPSC.

Paragraph	Change[2]	PPSC Rationale
Preamble	**Application and Requirements** The Code applies to all professional and business activities of Members and Registered Students, whether remunerated or voluntary. The Code applies regardless of the role of the Member or Registered Student as either an independent or non-independent expert.	The PPSC discussed at length whether the Code should apply only to those CBVs in "professional" or "public" practice. They concluded that the Code must apply to all CBVs, regardless of their workplace or role. The Code applies so long as an individual is a Member or Registered Student. However, the Code's application was limited to professional and business activities and excluded personal activities.
Ethical Principles	**Principle #6 -** maintain objectivity and exercise sound professional judgment.	The PPSC also discussed at length whether the principle of "objectivity" in the Code applies to those CBVs who undertake professional services on a non-independent basis, such as M&A, and what it means to be objective if one's compensation is directly and clearly tied to the financial outcome of the matter. The PPSC decided that objectivity in this context still applies. Even if an engagement is for the provision of non-independent financial services, a CBV is still required to be "objective", but objectivity in this context refers more to the practice of forming professional judgments or

[2] Note that the table addressed only select areas of proposed revisions. Members are encouraged to review the entirety of the new proposed Code of Ethics.

		presenting information based on observable facts, evidence, and unbiased reasoning, rather than personal feelings, opinions, or interpretations. A similar concept has been embedded in par 304.1, which states that *"When performing services that are not addressed by or for which no Practice Standards exist, Members must nonetheless perform the work with integrity, accountability, objectivity, due care and professional competence, and maintain documentation of the services provided.*"
403.1	**Independence & Conflict of Interest Process** Members must establish a client and engagement acceptance process to determine whether they: (a) are independent; and (b) have any real or perceived conflict of interest. Members must apply the process consistently to all engagements prior to any engagement. Members must maintain sufficient documentation to demonstrate: a) their process; and b) that the independence and conflict check process was followed for each engagement, prior to acceptance.	Record retention is an important principle contained in leading professional Codes of Ethics. By maintaining documentation of both the underlying process and the application of that process to a particular engagement, a Member in "public practice" helps preserve the reasoning and other evidence in the event that their decision is reviewed or challenged. Sufficient supporting documentation must include enough detail so that an objective and reasonably informed third party can independently understand the Member's process, as well as how that process was applied in any particular engagement. This can mitigate the risk of any challenge to the Member's decision to proceed with services. Additionally, it can encourage Members to scrutinize each engagement to ensure any independence and/or

		conflicts of interest are identified prior to the engagement.
301 301.1 301.3	**Responsibility** Members must take responsibility for their actions, their work and the services they provide. Members cannot avoid their responsibilities under the By-Laws, the Code, or the Practice Standards by delegating them to other staff or by employing technological tools. When the Member relies on external sources and tools, such as opinions of other experts or specialists, artificial intelligence, or other sources of data or technology, the Member is responsible for assessing and concluding that such reliance by the Member is appropriate.	A new section 301 called "Responsibility" was drafted to reiterate what is already known and understood (but was not explicitly stated) – that Members are responsible for their work, regardless of how that work is undertaken. In practice, Members may use junior staff to undertake certain aspects of the work, or they may use AI or other technological tools.The PPSC also wanted to acknowledge that in today's business world, CBVs rely on external sources of data and information, such as databases of transaction data, ratings data, output generated by artificial intelligence, as well as on the opinions of other experts or specialists, such as machinery or equipment appraisers, actuaries, or other professionals. In all of these situations, the responsibility lies on the CBV to assess whether reliance is appropriate prior to relying on and using the information as part of their work. As with all matters in the Code, the concept of "materiality" applies, such that the extent to which the particular information is material in the circumstances, is relevant. Materiality, in itself, is a matter of professional judgment.
306.1	**Withdrawal/Termination of Professional Services** A Member shall not withdraw professional services from a client except for good cause and upon written notice appropriate in the circumstances.	The PPSC added one word to this existing rule, "written", and added guidance to address common Member questions. It was important to lay out the principles and concepts CBVs use such that members of the public can

		also understand how/when a CBV they have engaged may terminate the engagement.
G306.1(a)	*In determining what constitutes appropriate notice, the Member should consider the timing of the notice, and other engagement specific factors.*	PPSC discussed how Members should go about giving notice to their clients. They agreed that timely notice, provided in writing (to avoid misunderstandings) and clearly documenting the withdrawal, is important. The content of the notice should be such that there is no ambiguity as to the fact that the CBV is resigning and should be expressed professionally.
G306.1(b)	*In determining what constitutes good cause, the Member should consider engagement specific factors. For example, a Member might have good cause to suspend the provision of services or withdraw from the engagement in the following circumstances:* - *the client has breached one or more material terms of its written agreement with the Member, including the non-payment of fees;* - *the client has misled the Member about a relevant and material aspect of the engagement;* - *the client has engaged in inappropriate/disrespectful conduct towards the Member or other persons engaged by the Member in the engagement, such as bullying and harassment;* - *the client is unreasonable, unresponsive or uncooperative, such as by failing to provide requested information so that the Member can*	A common question from CBVs and members of the public is what constitutes "good cause" for a CBV to withdraw from an engagement? This guidance helps address some of the more common acceptable reasons. The level of disclosure made to clients (of the "good cause") is up to CBV's professional judgment – however, a best practice would be to document the reason(s) in a memo to file.

	complete the engagement according to Professional Standards; - *conflict of interest or threats to independence arise that can not be adequately mitigated; or* - *circumstances that result in a significant loss of confidence between the Member and client.*	
103.1	**Advertising, Marketing, Promotion and Solicitation** Members must not engage in any advertising, promotion and solicitation marketing practices that, directly or indirectly: i) contravenes professional good taste or fails to uphold an acceptable level of professional courtesy; ii) reflect unfavourably on the competence or integrity of the of the Designations (as that term is defined in 104.1), CBV Institute, its Members or firms or the services they offer, (including comparing services or charges) or the profession generally; iii) reflects unfavourably on the Designations, CBV Institute, its Members, or the profession by failing to uphold or by disparaging the rigour, diligence, education, training, experience, or expertise required by the profession;	The PPSC made substantial revisions and added clarification to this section. The guidance now makes specific mention of social media platforms, such as LinkedIn. Such platforms are often used in a business context and have the potential to reflect not just on the member, but more broadly on the profession as a whole. The PPSC wanted to prohibit making exaggerated or aggressive marketing claims by Members, particularly if they are comparing their services to those of others.

	iv) makes statements or claims for which the Member knows, or should know, are false or misleading or which they cannot factually substantiate; v) makes exaggerated or aggressive statements or claims for the services offered by, or the qualifications or experience of, the Member, or which include disparaging references or unsubstantiated comparisons to the work of other Members; or vi) are coercive or harassing or otherwise brings disrepute to the Designations, CBV Institute, its Members, or the profession.	
G103.1	*Advertising and publicity, including that which is done online or through social media platforms, should contribute to public respect for the Designations (as that term is defined below), CBV Institute, its Members, and the profession. It is the responsibility of the Member to ensure that any promotional material produced by or under the control of the Member is factual, and that any commentary is not misleading. The objective is to ensure that advertising or other promotional communication is accurate and factual. Since any Member may be able to offer services similar to those offered by other Members, it is not appropriate for any Member to claim superiority with respect to the competence or integrity over any other Member.*	With the increased use of social media platforms such as LinkedIn, Members must be increasingly mindful of their comments on these public platforms, and how their comments might be perceived. The additional guidance aims to ensure that representations and statements made by members are factual (whether they refer to their practice or to CBV Institute more broadly), and to prohibit members from making unsupported statements.

G102.1(a) *G102.1(b)* *G301.1*	**Technology and AI** *Maintaining professional competence requires a continuing awareness and understanding of technical, professional, business and technology-related developments relevant to the professional activities undertaken by the Member.* *Continuing professional development enables a Member to develop and maintain the capabilities to perform their services competently.* *Members must have an awareness of the risks and benefits of the technologies they use in the course of their work.* *Members are responsible for the quality of the work performed, regardless of the technology or tools used to perform that work, including but not limited to automated valuation tools and artificial intelligence.*	The PPSC made two revisions to the Code to address technology and AI – one dealing with competence (Section 102) and another dealing with responsibility (Section 301). New guidance *G102.1(a)* embeds the importance of Members maintaining an awareness and understanding of technology-related developments when complying with the fundamental principles of competence and due care. New guidance *G102.1(b)* highlights the importance of Members maintaining an awareness of the risks and benefits of emerging technologies like generative AI and agentic AI that they use in their work, but is kept broad to also apply to more established tools which still pose risks. New guidance *G301.1* emphasizes the ultimate responsibility of the Member for the quality of work performed and for the entirety of their work products, even those parts produced by technologies like AVMs, generative AI and agentic AI. In other words, a CBV's obligations under CBV Institute's By-laws, Code of Ethics or Practice Standards cannot be delegated away – intentionally or unintentionally – to other staff or technology tools.

404.2	**Fees, Remuneration and Billings** Members must be open and transparent with existing and prospective clients about their fees and services.	The PPSC was of the view that fee transparency is an important part of professional conduct as a CBV. However, as fee matters are generally commercial and contractual matters, the majority of these issues are outside the scope of a disciplinary action.
G404.2	*Fees and billings are determined between the parties contractually.* *When providing an estimate of fees, Members should gather adequate information to allow them to provide a reasonable estimate of fees. Generally, it is prudent to refer to fees and the basis on which they are to be computed in an engagement letter to the client or potential client.* *Members should transparently render billings for professional services and, where feasible:* • *provide timely billings to their clients and communicate changes in any fee estimates on a timely basis, and* • *adequately describe billings in reference to the underlying engagement.* *The duty of confidentiality should be considered when providing billings details. For example, in an M&A advisory engagement, a Member may wish to provide a shorter summary of the work performed so as not to*	The PPSC felt that some additional guidance in the area of fees was beneficial, as the public often misunderstands the duties of Members vis-à-vis fees, billings, and communication thereon. There is a grey area between when a fee-related matter that is contractual can also have professional conduct implications. The related guidance in G404.2 aims to compile some of the more common professional conduct issues that may ensue.

	inadvertently disclose a potential transaction to the client's staff.	
  602.1 602.2 G602.2	**Criticism of a Member or a Member's Work** Interaction among Members must be conducted in a professional and civil manner. If a Member is retained to analyze, review, or critique the work or views of another Member, such work must be done in a professional, civil and objective manner. *If asked to analyze, review, or critique another Member's work or views, Members should restrict their comments to the specific work under review (i.e., critique the work, not the Member's professional competence, independence or objectivity).* *If considering commenting on whether another Member has followed the Practice Standards, a Member should exercise extreme care. Members are reminded that, if an apparent breach of the Practice Standards is identified, they have a duty under rule 202.1 of this Code to make a complaint to the Institute on this circumstance. Concluding whether a Member has formally "breached" the Practice Standards is ultimately a matter to be considered and decided upon by the Conduct and Discipline Committee (CDC).*	Criticism of a Member is a common issue in litigation and engagements for dispute purposes. The PPSC considered adding an explicit requirement to prohibit Members from commenting on whether another Member had breached the Practice Standards in a report or other external communication, as this could impact the perception of the CBV profession as a whole. The PPSC thought it was important that the focus of the critique comments should not distract from the subject matter at hand (the technical matters and "so what" implications), rather than be about standards compliance, or admissibility of expert evidence. Furthermore, determining whether a standards breach occurred is the role of CBV Institute's Conduct and Discipline Committee. The PPSC felt that any comments made by a Member in a report about another Member should be about the other Member's work, (and not about the Member) and should be factual. However, the PPSC felt that critique comments that were inferences were not appropriate in most cases, such as "Mr. B is clearly advocating for his client and in breach of

		the CBV Code of Ethics because his report doesn't include XYZ info that I included, and that is relevant for the valuation…" The PPSC agreed that it was not appropriate (in most cases) for a Member to conclude that another Member breached standards, or to put down another CBV. The PPSC considered adding examples in the Code but ultimately decided that this topic is best handled through education (continuing professional development), aimed at both Members and the legal community at large. Ultimately, the PPSC articulated the broad principle – critiques must be done in a professional, objective, and civilized manner. Criticism of another Member remains an area where members should tread carefully.
703 703.1	**Registered Students – Competency and Engagement Supervision** Registered Students signing or taking responsibility for work products to which the Practice Standards apply must: i) assess their competency for the specific engagement prior to acceptance; and ii) obtain an independent quality review by a Member prior to issuing any work product to assess compliance with the Practice Standards and the Code.	Registered Students generally practice under the supervision of a designated and experienced CBV. Although it is uncommon, it is possible that some Registered Students may be the only valuation professionals in their firm. A new section 703 was created to address Registered Students in "public practice" who sign reports. It introduces more stringent requirements to add extra safeguards to protect the public and the profession. The proposed revisions respond directly to findings of CBV Institute's practice inspection program.

G703.1(a) *G703(1)(b)*	*The Practice Standards apply if a Registered Student signs or takes ultimate responsibility for a work product, even if that work product doesn't disclose that they are a Registered Student.* *The work product and report remains at all times, the responsibility of the Registered Student. A Member performing an independent quality review of a work product or report by a Registered Student should only sign the work product or report if they are prepared to take responsibility for such work product.*	The proposed new rules balance allowing Registered Students to provide services that are within their areas of competence and in any practice structure, , with adding guardrails to manage risk to the profession and the public.

CONCLUSION

8. Thank you for taking the time to consider these important proposed revisions to CBV Institute's Code of Ethics. Following feedback received, CBV Institute may further amend the Code. Any additional substantive revisions may be published for another exposure period. To become effective, the revised Code must be approved by CBV Institute's Board of Directors.