

**Extraordinary**



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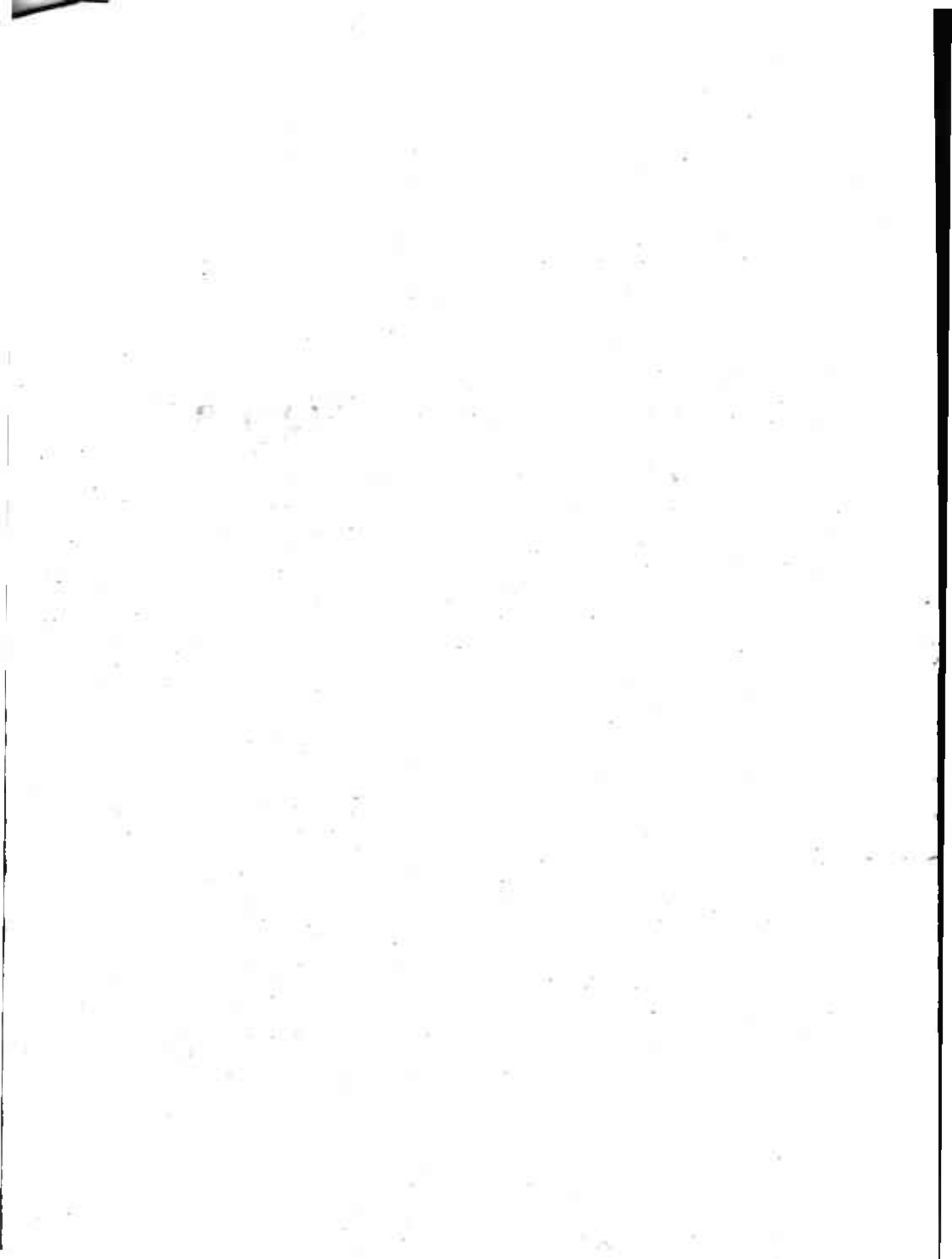
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**ENGINEERS (REGISTRATION, ETC.) ACT, CAP. E11 2004  
COUNCIL FOR THE REGULATION OF ENGINEERING  
IN NIGERIA**

**COREN REGULATIONS FOR ENGINEERING  
APPRAISAL/VALUATION**



**ARRANGEMENT OF REGULATIONS**

***Regulation***

**1. COREN Act.**

**FEDERAL LEGISLATION ON ENGINEERING VALUATION**

- 2. The Industrial Inspectorate Decree.**
- 3. CAM Decree No. 46 of 1991.**
- 4. Engineering Appraisal/Valuation.**
- 5. Definition of "Valuation Practice" and Property.**
- 6. Diverse functions of Engineering Valuers.**
- 7. COREN Registered/Accredited Appraisal/Valuers.**
- 8. Conflict of Interest.**
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**ENGINEERS (REGISTRATION, ETC.) ACT, CAP. E11 2004  
COUNCIL FOR THE REGULATION OF ENGINEERING  
IN NIGERIA**

**COREN REGULATIONS FOR ENGINEERING  
APPRAISAL/VALUATION**

[30th Day of July, 2018]

Commence-  
ment.

In accordance with COREN Act, Cap E11, 2004, Engineering Practice includes: any professional service or creative work requiring the application of special knowledge of Mathematics, Physics and Engineering in the form of, Consultation, Invention, Discovery, Valuation, Research and Teaching in recognized Engineering Institutions, Planning, Operation, Maintenance, Supervision of Construction, Advising, Installation, Operating, Investigation, Evaluating, Measuring, Designing, Specifying, Procurement, Laying and Directing, Constructing, Commissioning, Inspecting or Testing in connection with any Public or Private Utilities, Structures, Building, Machines, Equipment, Processes, Works or Projects.

**FEDERAL LEGISLATION ON ENGINEERING VALUATION**

2. The main Federal Legislation that deals substantively with Engineering Valuation is the INDUSTRIAL INSPECTORATE DECREE No. 53 of 1970 now INDUSTRIAL INSPECTORATE ACT CAP 18 LFN 2004. The Act establishes the Industrial Inspectorate Department of the Federal Ministry of Commerce and Industry. Companies and Allied Matters (Amendment) Decree No. 46 of 1991.

The  
Industrial  
Inspectorate  
Decree.

3.—(1) Following a petition by the Nigerian Society of Engineers in March 1989, on the Report of the Consultative Assembly on the Reform of Companies Law, Sec. 137 of CAM Decree No 1 of 1990 was amended by CAM (Amendment) Decree No 46 of 1991. This made for the inclusion of Engineers in the definition of valuer in Section 137 of CAM Decree No. 46 of 1991.

CAM  
Decree No.  
46 of 1991.

2. The Council has approved the Principles and Professional Standards of Appraisers/Valuation Practice of the Institute of Appraisers and Cost Engineers (IA&CE) a division of the Nigerian Society of Engineers and Member International Cost Engineering Council (ICEC).

4.—(1) Engineering Appraisers/Valuation is an art of estimating the value of specific properties where professional engineering knowledge and judgement are essential. Such properties include mines, factories, buildings, plant and machinery, industrial plants, public utilities, engineering constructions etc.

Engineering  
Appraisers/  
Valuation.

Definition of  
"Valuation  
Practice" and  
"Property".

5. The term valuation practice, as defined by the Institute, applies to any of the following four operations, singly or in combination, these operations being executed within a framework of general principles of technical procedure and personal conduct—

1. Determination of the value of property (the transitive verb determine having the meaning : "to come to a decision concerning, as the result of investigation, reasoning, etc) ;

2. Forecasting of the earning power of property ;

3. Estimation of the cost of :

(i) Production of a new property (production having the meaning: brought into being by assembly of elements fabrication, construction, manufacture, or natural growth of living things"

(ii) Replacement of an existing property by purchase or production of an equivalent property

(iii) Reproduction of an existing property by purchase or production of an identical property.

(iv) Determining non-monetary benefits or characteristics that contribute to value. The rendering of judgments as to age, remaining life, condition, quality, or authenticity of physical property, amenities; an estimate of the amount of a natural resource, population increase, nature of market, rate of absorption etc.

In a valuation and in a forecast of earning power, the word property is used to describe the rights to the future benefits of something owned or possessed to the exclusion of other persons. The "something owned" may be tangible, intangible or both.

In a cost estimation, the word property is used to describe the "something owned" without regard to its ownership.

A valuation is undertaken for one or more of several objectives, namely: to determine the value of a property; to estimate the cost of producing, acquiring, altering, or completing a property; to estimate the monetary amount of damages to a property; and to forecast the monetary earning power of a property. In specific instances, the work may have additional objectives, such as: the formulation of conclusions and recommendations or the presentations of alternatives (and their consequences) for the client's actions.

Diverse  
functions of  
Engineering  
Valuers.

6. Diverse functions of Engineering Valuers—

1. Valuation for Portfolio Management.
2. Valuation for Merger and Acquisition.
3. Valuation for Corporate Financing.
4. Valuation for Legal and Tax Purpose.
5. Valuation for Insurance Purposes.
6. Valuation for Determination of Utility Rate .

7. COREN Registered/Accredited Engineering Appraiser/Valuer (AEngVal) of the Institute of Appraisers and Cost Engineers a division of the Nigerian Society of Engineers with COREN / IA&CE seals has the engineering education, training and professional experience for this professional engineering function.

COREN  
Registered/  
Accredited  
Engineering  
Appraisal/  
Valuer  
(AEngVal).

8.—(1) A Registered/Accredited Engineering Appraiser/Valuer (AEngVal) shall not be involved in any activity, which causes improper behavior or conflict of interest between a registered/ accredited Engineering Appraiser/ Valuer between himself and other registered /accredited Engineering Appraiser/ Valuer *i.e.* by supplanting himself or herself on an ongoing project without clearance from the parties involved *i.e.* the AEngVal and clients.

Conflict of  
interest.

(2) Every Registered/Accredited Engineering Appraiser/Valuer (AEngVal) shall disclose the relevant facts to his client when acting for a client whose interests conflicts or may conflict with his own ; and

(3) Ensure that neither him, personally, nor any firm or company carrying on practice as Accredited/Engineering Appraiser/Valuer (AEngVal) which he is a partner or director acts for two or more parties with conflicting interests without disclosing relevant facts to the parties.

9.—(1) Without prejudice, Registered/Accredited Engineering Appraiser/ Valuer (AEngVal) shall not conduct himself in a manner which in the opinion of the council may prejudice his professional status or the reputation of the Institution.

Professional  
Conduct.

(2) A Registered/Accredited Engineering Appraiser/Valuer (AEngVal) shall not engage in any occupation or business which in the opinion of the Council is incompatible with the professional status of an Accredited/ Engineering Appraiser/Valuer.

10. A Registered/Accredited Engineering Appraiser/Valuer (AEngVal) shall not directly or indirectly interfere with the professional employment of another registered/Accredited Engineering Appraiser/Valuer on the same professional matter of which he has prior notice without clearance from the original Registered /Accredited Engineering Appraiser/Valuer.

Unlawful  
Interference.

11. A Registered /Accredited Engineering Appraiser/Valuer (AEngVal) shall not issue a valuation report under his registered number unless such valuation—

Valuation  
report.

- (a) follows the prescribed standard set out by the board ; and
- (b) bears the stamp and seal issued by IA&CE and Council.

Professional  
Charges.

**12.—(1)** A Registered Accredited Engineering Appraiser/Valuer (AEngVal) shall charge fees in accordance with the current approved scale of professional charges—see COREN Engineering Consultancy and project Management Services agreement charges and conditions of engagement (ECOPACCE).

Abbreviations/  
Acronyms.

**13. Abbreviations and Acronyms—**

*Council* : Council for the Regulation of Engineering in Nigeria ;

*IA&CE* : Institute of Appraisers and Cost Engineers—A division of Nigeria Society of Engineers (NSE) and Member International Cost Engineering Council (ICEC) ;

*NSE* : Nigerian Society of Engineers ;

*ICEC* : International Cost Engineering Council (ICEC)-World Wide ;

*AEngVal* : Accredited Engineering Appraisal/Valuer ;

*ECOPACCE* : Engineering Consultancy and Project Management Services Agreement Charges and Conditions of Engagement.

Citation.

**14.** This Regulation may be cited as the Regulation for Engineering Appraisal/Valuation.

MADE at Abuja this 30th day of July, 2018.

BABATUNDE RAJI FASHOLA, SAN  
*Honourable Minister*  
*Power, Works and Housing*