



MPI Value Reporter

**Business valuation guidance for accounting,
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Too Close for Comfort?

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Conflicts of interest are one of the most common ethical problems that professionals encounter. As firms diversify their services in order to serve their clients' needs, conflict related matters arise more frequently in practice. To deal with this issue and bring comfort to clients, codes and guidelines have been put in place by professional bodies, such as the Institute of Chartered Accountants of Ontario (ICAO) and the Canadian Institute of Chartered Business Valuators (CICBV). In general, the accounting profession tests the existence of conflicts of interest against the criterion of a reasonable person's perception.

Under the ICAO Rules of Professional Conduct (the Rules), when a Chartered Accountant (CA) is approached to provide professional services to a client for whom they already provide other unrelated professional services, the CA is encouraged to ensure that there is no conflicting interest that would adversely affect their judgment. Moreover, when providing professional services on an independent basis, the Rules explicitly state that a CA shall not hold any financial or other interest which may affect directly or indirectly their ability or reasonably perceived ability to provide such services in an independent manner.