

# ADMINISTRATIVE PROCEDURE AS A CATALYST FOR CHANGE IN PROFESSIONAL VALUATION ACTIVITY IN UKRAINE

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**Annotation.** The article analyzes the impact of the Law of Ukraine “On Administrative Procedure” (LAP) on the transformation of professional valuation activity in Ukraine. It is noted that the entry into force of the LAP in 2023 and its integration into the special legislation on property valuation in 2024 became a catalyst for unifying the procedures of interaction between the regulator (the State Property Fund of Ukraine) and the subjects of valuation activity, shifting the sphere from fragmented oversight to a system of public-law guarantees.

The key innovations of the LAP are examined, including the definition of an administrative act, the stages of administrative proceedings (initiation, preparation, consideration, adoption, and execution), as well as the principles of the rule of law, reasonableness, proportionality, and officiality. It is emphasized that these norms apply to the SPFU’s decisions regarding the issuance or revocation of certificates, qualification attestations, and the review of valuation reports, ensuring participants’ rights to access case materials, receive reasoned decisions, and appeal them. The role of the LAP as a subsidiary act harmonizing sectoral regulation, reducing corruption risks, and aligning Ukraine with European standards of good governance is highlighted.

It is determined that a significant aspect of reform is the implementation of a unified mechanism for administrative appeal (30-day time limit, reasoned decision), automation of proceedings and digitalization (electronic registers, automated valuation services), as well as the stimulation of the appraisers’ qualification reform through Draft Law No. 13435 on the transition to international standards. The article analyzes implementation challenges such as bureaucratization, reissuance of certificates in 2025, division of competencies with self-regulatory organizations, digitalization challenges, and the balance between freedom of contract and imperative regulation.

It is argued that the LAP fundamentally changes the paradigm of valuation activity, transforming it into a service-oriented model focused on transparency and rights protection, despite wartime and resource constraints. The article proposes solutions including the development of specialized methodologies, certification of algorithms, dialogue with the professional community, and updating of subordinate acts to ensure the effectiveness of the reform.

**Key words:** administrative procedure; valuation activity; Law of Ukraine «On Administrative Procedure»; State Property Fund of Ukraine; administrative act; appeal of decisions; professional qualification of appraisers; review of valuation reports; digitalization of registers; international valuation standards.

## 1. Introduction.

The current stage of development of the Ukrainian legal system is marked by profound transformative processes aimed at consolidating the principles of the rule of law, transparency, and effective public administration. One of the key steps in this direction has been the adoption of the Law of Ukraine “On Administrative Procedure” (hereinafter – the LAP), which has established unified foundations for interaction between public administration bodies and private individuals. This legislative act, being the result of many years of academic debate and political efforts, has inevitably triggered

a cascading effect, necessitating the review and adaptation of numerous special regulatory acts governing specific spheres of social relations. One such sphere that has undergone significant changes is professional valuation activity. The institution of property valuation is an integral element of a market economy, ensuring objective determination of asset value for the purposes of taxation, privatisation, lending, judicial dispute resolution, and managerial decision-making. Accordingly, the reform of legislation regulating this activity has not only sectoral professional relevance, but also broader economic and social significance.

The impact of the general procedural law on the specialised regulation of valuation activity is a complex and multidimensional issue that generates active scholarly discussion and demands in-depth analysis. The relevance of this research is further reinforced by the fact that, until recently, the absence of effective general legislation on administrative procedure in Ukraine diminished the quality of public-service activity, hindered alignment with European standards of good governance, and created conditions for corruption risks.

## **2. Analysis of scientific publications.**

Issues of administrative and legal regulation of valuation activities have been examined in the works of Ukrainian scholars, including, in particular, T.V. Kalinesku, A.V. Dombrovska, K.Yu. Ivanova, Yu.O. Chechil, A.V. Naumenko, L.P. Tymoshchyk, O.P. Harazha and others. At the same time, no comprehensive research has been conducted in Ukrainian legal doctrine on the legal consequences and challenges of introducing administrative procedure into the sphere of valuation activity in the context of recent reforms.

## **3. The aim of the work.**

The purpose of this article is to analyse the impact of the Law of Ukraine “On Administrative Procedure” on professional valuation activity in Ukraine, to identify key changes in regulatory procedures, to assess implementation challenges, and to formulate recommendations for harmonising special legislation with the principles of good governance in order to enhance transparency, efficiency, and the protection of the rights of participants in the valuation market.

## **4. Review and discussion.**

Valuation activity in Ukraine is entering a phase of profound reconfiguration: from a privatized “craft” with fragmented state oversight, it is gradually transforming into a sphere in which public-law procedural guarantees determine the quality of each decision. For clarity, two basic definitions should be fixed. First, an administrative procedure is the legally established procedure for the preparation, adoption, formalisation and appeal of individual administrative acts, which ensures the right to be heard, access to the case file, the requirement of a reasoned decision, and the possibility of its review [9]. Second, valuation activity is the professional activity of valuers and valuation entities, regulated by the Law of Ukraine “On Valuation of Property, Property Rights and Professional Valuation Activity in Ukraine” (hereinafter – the Law of Ukraine on Valuation), aimed at determining the value of property and rights in compliance with special standards and admission requirements [12]. A turning point was the entry into force of the Law of Ukraine “On Administrative Procedure” on 15 December 2023, and the subsequent alignment of the Law of Ukraine “On Valuation of Property, Property Rights and Professional Valuation Activity in Ukraine” as of 10 October 2024 with the new procedural framework. Thus, a unified “framework” of good governance replaces the previously dispersed by-laws, setting a new perspective for interpreting the entire valuation sphere.

A key innovation of the Administrative Procedure Law (APL) is the definition of the concept of an “administrative act” as an individual decision or action adopted by an administrative body to resolve a specific case, aimed at the acquisition, modification, termination or exercise of a person's rights and/or obligations [9]. In the context of valuation activity, this definition encompasses a wide range of decisions adopted primarily by the State Property Fund of Ukraine (SPFU) as the main regulator. These include decisions on issuing or revoking a valuation entity's certificate, issuing or withdrawing a

valuer's qualification certificate, entering information into the State Register of Valuers and Valuation Entities, as well as decisions based on the review (recension) of valuation reports. Previously, the procedure for adopting such decisions was regulated mainly by SPFU by-laws and did not always contain clear guarantees of individual rights. With the entry into force of the APL, each such decision must be adopted within a clearly defined administrative procedure consisting of several stages: initiation of proceedings, preparation of the case, examination of facts and collection of evidence, consideration of the case, adoption of the administrative act, and its enforcement [2].

This means that a valuation entity or valuer applying to the SPFU, for example for a certificate, acquires the status of a participant in administrative proceedings with the full range of rights guaranteed by the APL. Among these are the right to be heard before an adverse decision is taken, the right of access to the case materials, the right to submit evidence and motions, and the right to receive a reasoned decision in which the administrative body must justify its conclusions with reference to legal provisions. This fundamentally changes the paradigm of interaction with the regulator, shifting it from a "petitioner-authority" model to a framework of more equal dialogue, in which the public body is obliged to act impartially and in a substantiated manner. The regulatory impact analysis prepared by the SPFU indicates that the introduction of a clear administrative procedure reduces the risk of unfounded decisions, including unjustified refusals to issue certificates [1].

In its interaction with other laws, the APL functions as a subsidiary act: pursuant to Article 3, its provisions apply where a special law does not provide otherwise, while even in such cases the general principles must be observed [9]. This creates a foundation for harmonisation with sectoral regulations, including in the field of property valuation, where administrative bodies such as the SPFU issue qualification certificates and licences, conduct inspections, and review valuation reports. According to I. Boiko, the APL revolutionises administrative law by transforming it from an instrument of power into a mechanism for the protection of rights, which is particularly relevant in economic sectors where property interests often become the object of administrative intervention [3]. In practical terms, the APL affects valuation activity through requirements on the form of administrative acts (Articles 70–72), procedures for recusal of officials (Articles 23–24), and mechanisms of appeal (Articles 78–85), thereby making processes more transparent and predictable. For example, in the valuation of property for tax or privatisation purposes, where the SPFU acts as an administrative authority, the APL obliges it to provide reasoned decisions that take into account independent valuations, reducing subjectivity and increasing trust in the system. As V. Tymoshchuk emphasises, the implementation of the APL makes it possible to avoid chaos in administrative procedures by ensuring a unified standard for all spheres, including economic valuation, where previously fragmented norms prevailed [17].

Thus, the reform transforms the legal nature of relations between the State Property Fund of Ukraine (SPFU) and the professional valuation community. The SPFU continues to exercise regulatory functions, but now strictly within a defined procedural framework: it issues, suspends and revokes permits, provides methodological guidance to the market, and conducts quality control not "at its own discretion" but through formalised stages of proceedings with a predefined set of participant rights [13]. A comparative perspective reinforces these standards: under EU law, Article 41 of the Charter of Fundamental Rights enshrines the right to impartial and timely handling of matters, access to the file and the right to be heard; such guarantees are likewise expected from national authorities [20]. In the valuation context, this means that every SPFU decision on issuing, refusing, suspending or revoking a valuer's qualification certificate or a valuation entity's certificate must be adopted only after granting the person access to the materials, an opportunity to submit explanations, and must contain relevant factual and legal grounds and clear instructions on appeal procedures.

As noted by O. F. Andriiko et al. in the scientific and practical commentary to the Law on Administrative Procedure, this act not only harmonises procedures but also introduces elements of adversariality similar to those in judicial proceedings, enabling participants to actively defend their position by submitting evidence and objections [7]. Article 4 of the Law of Ukraine "On Administrative Procedure" situates valuation-related cases within a value-based framework: the rule of law, legality, equality, reasoned and impartial decision-making, good faith and prudence, proportionality, openness, timeliness and reasonable time limits, efficiency, presumption of lawfulness of an individual's actions, officiality, participation of the person, and effective remedies [9]. For the valuation sector—where regulatory decisions often rely on expert judgment and operate within the margins of administrative discretion—this entails a shift from mere "formal compliance" to "procedural quality": the authority is not only competent but obliged to balance the public interest with the legitimate expectations

of the professional community and individual valuers (the right to be heard, access to materials, reasoned and appealable decisions). As a result, valuation activity moves from “regulatory routine” to a procedural culture in which process is not a burden but a guarantee of decision quality [9].

Accordingly, the Law on Administrative Procedure is intended to establish uniform, transparent and fair rules for the adoption of administrative acts, including the obligations to provide reasoning, ensure the right to be heard, guarantee access to the case file, and define clear time limits and appeal procedures. O. Andriiko, V. Bevzenko and others emphasise that the codification of administrative procedure creates basic “standards of conduct” for public authorities and “unifies models of decision-making” across different sectors of administrative activity. They stress that the principles of proportionality, impartiality, good faith and good governance introduced by the law have a direct disciplining effect on administrations interacting with businesses and citizens. All this prevents “corporate” or departmental deviations from common rules in areas involving public oversight of markets—with the professional valuation market being one of the key examples [7].

Of particular significance for the valuation field is the principle of officiality (Article 16 of the Law on Administrative Procedure): the administrative authority is obliged to independently and actively ascertain all relevant facts and may not shift onto the applicant the burden of collecting information held by other public authorities or in state registers [9]. In practice, this means that when issuing or renewing qualification certificates or valuation entity certificates, the SPFU must obtain the necessary data through inter-agency cooperation rather than requiring applicants to resubmit documents; this approach is already communicated by the Government as a reduction of the bureaucratic burden for citizens and businesses.

An important procedural “bridge” between the Law on Administrative Procedure and the Law of Ukraine on Valuation is the introduction of a unified mechanism for administrative appeal. Pursuant to Article 18 of the Law on Valuation, decisions on revocation, suspension or invalidation of a qualification certificate must be taken only after ensuring the person’s right to participate in administrative proceedings and may be appealed by the valuer in the administrative procedure established by the Law on Administrative Procedure or before an administrative court. The time limits and forms provided by the Law on Administrative Procedure apply for this purpose. In particular, the law stipulates a 30-day period for lodging an appeal against an administrative act (Article 80), and sets requirements for the content of the complaint and the procedure for its examination (Article 47) [9]. For valuation market participants, this creates a predictable mechanism for reviewing decisions of the SPFU and its territorial offices, which complements rather than replaces judicial protection. Where previously complaints were handled under “departmental” algorithms, a single matrix now applies: a clear time limit, an obligation to obtain the case materials, the opportunity to be heard, and a reasoned decision as an outcome. This enhances consistency of practice, reduces transaction costs and levels the playing field for all actors—both large companies and individual valuers [4].

In addition, in 2024 Article 2 of the Law of Ukraine on Valuation was amended to include a reference to the Law on Administrative Procedure, meaning that decisions/acts in the field of valuation must be adopted in compliance with the principles of administrative procedure, thereby reducing the risk of arbitrary sanctions. According to V. Tymoshchuk, this contributes to the democratisation of control in an area previously dominated by an authoritarian approach of state authorities [19]. Thus, whereas previously the procedure for challenging SPFU decisions was fragmented and often effectively forced individuals to apply directly to the courts, now a person who disagrees with an administrative act (for example, a decision to revoke a qualification certificate) has access to an effective pre-trial remedy. The Law on Administrative Procedure provides the right to lodge a complaint with a higher administrative body or with a complaints commission specifically established to ensure an objective and comprehensive review of the case [9]. The complaint procedure is also formalised: the body examining the complaint must review the contested act in its entirety, and not only within the limits of the arguments raised by the complainant. This creates an additional “filter” for correcting possible mistakes of administrative authorities and enables the restoration of violated rights more quickly and at lower cost than through judicial proceedings. In the valuation sector, this is of crucial importance. For example, in cases of negative review of a valuation report that may jeopardise an entire transaction, or in cases of what the valuer considers unjustified revocation of a qualification certificate, there is now a clear and transparent algorithm of actions. Instead of lengthy court proceedings with unpredictable outcomes, market participants receive an effective mechanism for pre-trial dispute resolution.

This, in turn, will contribute to strengthening trust in the regulator and ensuring the stability of the valuation services market. As S. M. Shandruk notes, the main goal of the Law on Administrative Procedure is the development of a service-oriented state, in which the administrative authority is not a punitive instrument but a partner that facilitates the exercise of individual rights [21]. The implementation of this ideology in the activities of the SPFU and other relevant bodies is the key outcome of the new law's implementation.

However, it should be emphasised that the impact of the Law "On Administrative Procedure" is not limited to the mechanical application of its norms to existing legal relations. It acts as a powerful catalyst for a systematic review and modernisation of the entire sector-specific legislation. The fact that the provisions of the Law of Ukraine on Valuation, adopted back in 2001, and numerous by-laws often do not correspond to the principles laid down in the Law on Administrative Procedure, generates legal uncertainty and necessitates their urgent alignment. It is for this reason that Draft Law of Ukraine "On Property Valuation" No. 13435 has been registered in the Verkhovna Rada, which, according to its initiators, aims not at isolated amendments but at a comprehensive reform of the sector. This draft law is a direct response to the challenges posed, inter alia, by the Law "On Administrative Procedure" [14].

The main problem that the new draft law seeks to address is the chaos and inconsistency prevailing in the valuation sphere due to outdated standards and the multiplicity of approaches. Situations frequently arise where, for the valuation of a single real estate object (for example, a building with a land plot), it is necessary to commission two separate valuations from different specialists, with significantly divergent results. This is illogical, costly and creates corruption risks. The reform proposes a shift to unified, internationally and European-recognised valuation standards, intended to ensure coherence and objectivity of results. This transition fully aligns with the spirit of the Law on Administrative Procedure, which requires unity, predictability and transparency in the activities of administrative bodies. The standardisation of valuation procedures is a logical extension of the standardisation of administrative procedures. It should be stressed that the move to international and European valuation standards is also consistent with Ukraine's strategic objective of integration into the European economic area [8]. Crucially, the choice of applicable standards may be determined both by the valuation contract between the client and the valuer and by regulatory requirements for certain categories of assets, such as privatisation of state property or collateral valuation in the banking sector. This creates a complex system of interaction between contractual regulation and administrative-law prescriptions. Thus, the Law on Administrative Procedure does not simply "overlay" the valuation sphere, but stimulates its internal restructuring on new, more modern and equitable foundations that correspond to Ukraine's international commitments.

Another dimension of its impact is the strengthening of the accountability of administrative bodies in the valuation sector: the Law on Administrative Procedure introduces procedural safeguards (in particular regarding the collection and assessment of evidence; Article 53 on evidence), while compensation for damage caused by unlawful decisions follows from other acts (including Article 56 of the Constitution of Ukraine and provisions of the Civil Code of Ukraine). This has already influenced SPFU practice, where the number of successful appeals has increased, compelling authorities to provide more thorough justification for deviations from valuations. Parallels with valuation in judicial proceedings show that the Law on Administrative Procedure unifies evidentiary standards, making valuation reports key pieces of evidence. In other words, the law transforms valuation from a purely technical operation into an element of administrative decision-making endowed with full guarantees of rights protection.

The draft Law on Property Valuation provides for the introduction of professional liability insurance for valuers and the establishment of stricter qualification requirements for managers of valuation entities, including the requirement that the company director be a certified valuer or a person with a financial education [14]. The aim is to overcome the existing practice whereby valuation entities systematically produce low-quality valuations through hired valuers, and when one valuer's qualification certificate is revoked, the director simply hires another and continues operating. However, the implementation of such requirements necessitates the development of detailed administrative procedures for monitoring the activities of valuation entities, including procedures for inspections, complaint handling and bringing violators to liability. This is a complex task given the regulator's limited resources and the need to maintain a balance between effective oversight and non-interference in economic activity. Thus, administrative procedure has also become the "framework" for the human resources and qualification reform of the valuation profession.



The introduction of administrative procedure has affected the system of professional training and qualification of valuers, which has undergone fundamental changes under the new version of Article 15 of the Law of Ukraine on Valuation (as amended by Law No. 4017-IX of 10 October 2024). Three new valuation areas have been established instead of the former system of two areas and nine specialisations: (1) valuation of immovable property and real estate and rights thereto; (2) valuation of movable property; (3) valuation of business, business interests, financial instruments and intangible assets, including intellectual property rights (Part 2, Article 15). The new version of the Law on Valuation also introduces a minimum duration of one year for basic training with mandatory internship and establishes a fixed term for the valuer's qualification certificate, with a two-year cycle for renewal through continuing professional development [12]. Basic qualification training for valuers now lasts at least one year, with compulsory internship as part of the educational process organised by educational institutions in cooperation with self-regulatory organisations of valuers. The qualification certificate becomes time-limited, valid for two years between training cycles, thereby introducing a system of continuous professional education and regular confirmation of competence. As a result, professional standards are combined with procedural guarantees: the right to be heard before a restrictive decision is taken, full access to the case materials, a reasoned decision, and effective remedies of appeal. In our view, this reflects the idea of "continuous professional education as a condition for market access" and imposes discipline on both the authority and the applicant. In short: "quality education + quality procedure = quality valuation."

In this context, it is also important to emphasise the content of administrative "evidentiary" standards and the role of specialised knowledge in administrative cases, since valuation is inherently expert knowledge. Contemporary doctrinal approaches in Ukrainian administrative law, supported by training materials for public officials, stress that an administrative body is obliged to actively collect and assess evidence, including expert opinions and valuation reports. However, the final decision must be based on a critical and impartial assessment of the relevance and sufficiency of such materials [18]. The case law of administrative courts, which inevitably serves as a benchmark for the administration, consistently underlines the auxiliary nature of expert opinions: they do not have predetermined probative force and must be assessed in conjunction with other case data. In practical terms, this means that reviews of valuation reports, conclusions of forensic valuation experts, and automated extracts from the SPFU database are "input" evidence but not "ready-made decisions" – and the Law on Administrative Procedure constrains public authorities by requiring them to explain why particular materials are relied upon as the basis of an administrative act.

If the review of valuation reports is the central mechanism of quality control on the market, the Law of Ukraine on Valuation directly requires that such reviews (recensions) be prepared at the request of a client, a public authority or a court (Article 13). The Law on Administrative Procedure adds a universal procedural "overlay": the party must be granted access to the review, given an opportunity to comment, afforded a reasonable period to remedy deficiencies, and provided with a reasoned final position of the administration whenever the review entails authoritative consequences (such as refusal to accept a valuation report or initiation of disciplinary proceedings). For the valuer, this means that the review process ceases to be a "black box" and acquires elements of adversarial procedure and predictability, with clear stages and defined rights and obligations.

At the same time, although the Law on Administrative Procedure governs the extra-judicial phase, its procedural standards subsequently "migrate" into the benchmarks applied by administrative courts. The court examines whether the right to participate in the proceedings was ensured, whether access to the file was granted, whether adequate reasoning was provided, whether time limits were respected, and whether the interference with rights was proportionate. For public authorities and market participants, this means the evidentiary basis must be constructed "with the court in mind" already at the administrative stage. Doctrinal and practical materials of the Supreme Court explicitly underline these innovations and their importance for practitioners. As a result, the link between the quality of administrative proceedings within the State Property Fund of Ukraine and the resilience of its decisions in judicial review is significantly strengthened [16].

The impact of the Law on Administrative Procedure is also relevant for "mixed" situations where a forensic valuation expert's opinion on the value of property becomes a source of information for the administration. Special legislation has repeatedly clarified the status of such opinions, in certain respects equating them to valuation reports, yet their ultimate effect depends on the procedural environment: an administrative body cannot mechanically "copy" the expert opinion into the

reasoning of its act without conducting its own assessment of the evidence and without respecting the parties' right to provide explanations or objections. In this regard, the Law on Administrative Procedure "ties together" different regimes of expert activity, including by granting participants in the proceedings tools to request additional information and submit alternative expert materials.

For example, forensic valuation experts operate within the frameworks of criminal, civil, commercial and administrative procedural legislation, which impose specific requirements on expert examinations, including warnings about criminal liability for knowingly false conclusions, work based on limited case materials, and the need to determine value as of a retrospective date. Unlike valuers, who may communicate with all parties to a contract, inspect the property and collect necessary information, forensic experts are deprived of such possibilities and must rely solely on materials provided by the authority that ordered the examination. The absence of a unified methodology for determining the value of property as of a past date—one that would reflect the specific nature of forensic expertise and ensure methodological consistency between valuers and forensic experts—leads to divergent conclusions by different professionals regarding the same asset, thereby undermining trust in valuation activity as a whole. The introduction of administrative procedure does help address this problem by creating a framework for harmonising methodological approaches among the various regulators of valuation activity and forensic expertise; however, such a mechanism has not yet been fully developed.

Problems associated with the implementation of administrative procedure in valuation activities arise at different stages of reform and have both objective and subjective dimensions. One of the most acute challenges is the need for mass reissuance of valuers' qualification certificates in accordance with the new valuation areas during 2025. The State Property Fund of Ukraine has developed a simplified procedure for reissuance upon the valuer's application, without additional conditions or examinations, with the issuance of an electronic qualification certificate. However, given the scale of this task, the number of active valuers, and the difficulties caused by wartime conditions, there is a real risk that some valuers may fail to complete reissuance by the end of the year and thus find themselves outside the boundaries of lawful professional activity [6; 15]. The situation is particularly problematic for valuers whose qualification certificates were suspended due to failure to undergo timely continuing professional development, as reissuance for them is possible only after completing a new qualification cycle, creating additional temporal and financial barriers to returning to the profession.

A significant issue also arises in delineating competences between the state regulator of valuation activity and valuers' self-regulatory organisations in the context of implementing administrative procedure. The Concept for the Development of Valuation Activities, presented by the All-Ukrainian Association of Valuation Specialists, envisages the establishment of a Supervisory Board as a body with broader powers regarding professional training, certification, resolution of disputes and disciplinary matters [5]. It is proposed that part of the state's regulatory functions be delegated to self-regulatory organisations, in particular with respect to organising training, issuing qualification certificates to valuers upon coordination with the State Property Fund, and handling complaints against valuers through a Qualification and Disciplinary Commission. However, the introduction of such a model, in our view, requires a clear definition of the administrative procedural framework for the activities of these bodies, the establishment of mechanisms for interaction between state and professional institutions, and the provision of procedural safeguards for individuals affected by their decisions. This necessitates the development of special legislation on the status of self-regulatory organisations within the system of public administration of valuation activities.

Equally relevant is the issue of digitalisation of valuation activities and the creation of electronic registers in the field of property valuation. The draft Law on Property Valuation provides for the possibility of preparing valuation reports in electronic form, issuing qualification certificates to valuers electronically, and establishing a State Register of Valuation Reports on State and Municipal Property to ensure transparency and access to information [14]. The State Property Fund of Ukraine switched to the electronic issuance of qualification certificates as early as summer 2025, which has significantly simplified the procedure for obtaining documents, especially under wartime conditions [11]. Nevertheless, the implementation of electronic procedures still requires the development of appropriate technical infrastructure, ensuring cybersecurity, and establishing mechanisms for electronic identification and authentication of participants in administrative proceedings, all of which demand substantial investment and time.

The digitalisation of management processes, the introduction of artificial intelligence systems and automated valuation methods also pose new challenges for law enforcement. In this context, the possibility of automatic processing and decision-making in administrative cases, as provided by Article 62 of the Law “On Administrative Procedure”, has a significant impact on valuation activities [9]. This provision allows cases to be examined and administrative acts adopted in an automatic mode by technical means without the participation of an official of the administrative body, where this is provided by law or by a decision of the administrative body for specific categories of cases. The use of the automatic mode is permissible where the resolution of the case does not require an assessment of evidence and circumstances by the administrative body and does not necessitate the person's participation in the administrative proceedings. In the valuation sphere, automation may be introduced for certain procedures, such as updating information on a valuer or valuation entity in the State Register of Valuers and Valuation Entities, or extending the validity of documents where all statutory requirements have been fulfilled.

The Unified Database of Valuation Reports and the electronic service for certificates of real estate valuation are among the key elements of the valuation market. The Law on Administrative Procedure does not alter the substantive algorithm of automated valuation, but it does transform the “procedural regime” of the service: every refusal to issue a certificate, every decision to cancel the registration of a report, or any request to provide additional information must now be formalised as an administrative act with all requisite attributes—legal grounds, reasoning, reference to applicable law, and an indication of the time limit and procedure for appeal. This enhances the transparency and manageability of the system: both the applicant and the notary receive not merely a “system notification” but a legally significant act that can be challenged through administrative remedies and, subsequently, in court.

However, it should be noted that the Law “On Administrative Procedure” is oriented towards the activities of authorised subjects—natural and legal persons - while algorithmic systems do not possess an appropriate legal status. This raises several questions: can automated valuation systems be recognised as subjects of valuation activity, what are the limits of their liability, and how can transparency and verifiability of algorithms be ensured? Addressing these issues requires the development of effective mechanisms for certification, oversight and protection of individuals' rights in the use of algorithmic valuation systems. First and foremost, it appears appropriate to introduce state certification of algorithms and digital platforms used in valuation activities. Such certification may be conducted with the participation of the State Property Fund of Ukraine or accredited conformity assessment bodies on the basis of criteria such as transparency, accuracy, reliability and reproducibility of valuation results. A certified algorithm should undergo regular verification for compliance with International Valuation Standards (IVS) and national information security standards, thereby ensuring the reliability of outcomes.

As regards the relationship between the principle of freedom of contract in valuation activity and administrative regulation through mandatory norms and procedures, it should be emphasised that valuation activity is inherently an economic activity carried out on the basis of contracts between clients and providers of valuation services, allowing for flexibility in agreeing the terms of service, including the choice of valuation methods, scope of analysis, and the format of valuation reports. At the same time, in cases of mandatory valuation prescribed by law - such as privatisation of state and municipal property, valuation for lease, determination of authorised capital - valuations must be conducted in accordance with binding national valuation standards and other regulatory acts. The introduction of administrative procedure strengthens the public-law dimension of valuation activity by establishing additional procedural requirements for interactions between participants in valuation relations, which in turn may generate tensions between the principles of freedom of enterprise and the need to protect public interests through administrative regulation.

A significant issue also arises in relation to the elimination of fractional valuation of property and the introduction of an integrated approach to real estate valuation. Traditionally, in Ukraine, there has been a practice of separate valuation of land plots and the buildings and structures located on them, which does not correspond to international approaches, under which land and improvements are treated as a single valuation object. The draft Law on Property Valuation proposes to overcome this practice by introducing a requirement for comprehensive valuation of real estate as an integrated whole [14]. However, in our view, this necessitates changes in land legislation, urban planning legislation, and legislation on state registration of rights to immovable property, since fractional



valuation is a consequence of a fragmented system of legal regulation of real estate in Ukraine, where land plots and buildings are treated as separate objects of ownership subject to different regulatory regimes.

Under current conditions, it is necessary to develop special valuation methodologies for specific categories of assets, taking into account the requirements and principles enshrined in the Law of Ukraine "On Administrative Procedure". The adoption of this law has introduced unified approaches to the implementation of administrative procedures across all areas of public administration, including valuation activity, which in turn requires their specification for particular contexts. For example, valuation of military property must reflect the legal regime of martial law and the specific nature of defence assets, including restrictions on access to information constituting state secrets. Valuation of assets in bankruptcy or preventive restructuring proceedings must be conducted in line with the principles of fairness, proportionality, and consideration of the interests of all parties as defined by administrative legislation. In the sphere of privatisation of state property, administrative procedures involve the participation of several public authorities, valuation entities and the public, which necessitates alignment of procedural aspects of valuation with the principles of openness, officiality, and reasoned administrative decision-making. Accordingly, each of these areas requires the development of specific guidelines on the application of general valuation principles within the framework of administrative procedures established by law, which constitutes a strategic task for the professional community and state regulators.

In this context, the issue of balancing procedural guarantees for valuers with the need for the regulator to respond promptly to violations of valuation legislation becomes particularly important. The Law of Ukraine "On Administrative Procedure" sets out detailed requirements for proceedings on the adoption of administrative acts, including time limits for considering applications, informing the parties about the course of proceedings, providing opportunities to submit explanations and evidence, and issuing reasoned decisions [9]. Compliance with these requirements is a key safeguard against arbitrary actions by the regulator; however, it simultaneously creates additional procedural burdens for the State Property Fund of Ukraine and may lengthen decision-making timeframes. In situations where it is necessary to promptly suspend the activities of a bad-faith valuer who systematically violates valuation standards and harms the interests of clients and third parties, procedural guarantees may be perceived as an obstacle to effective state supervision. This calls for an appropriate balance between procedural fairness and the efficiency of administrative regulation.

Researchers, including V. Tymoshchuk, note that although the reform of administrative procedure is progressive, it also creates risks of bureaucratisation in sectors characterised by broad discretionary powers, such as property valuation, where extensive regulatory discretion may come into tension with the principle of timeliness [17].

A separate place is occupied by the standard of reasoning. Previously, review bodies often limited themselves to formulaic references to "non-compliance with valuation standards"; now the Law on Administrative Procedure requires extensive reasoning: indicating factual grounds (which specific norms and standards were breached, what discrepancies in approaches were identified, why the chosen method fails to ensure reliability) and legal grounds (specific provisions of standards, laws and by-laws). Such reasoning not only strengthens the procedural rights of the addressee of the act but also improves the quality of reviewing practice itself. As the scientific and practical commentary notes, the duty to provide reasons is the "core" of the lawfulness of an administrative act; it "forces" the administration to demonstrate the logic of weighing evidence [7]. This is particularly important in fields with a high share of expert judgment, including valuation.

The changes also affect the status and practices of professional self-governance in valuation. Even where decisions are taken by qualification or review bodies operating under the SPFU, they constitute authoritative individual acts. The Law on Administrative Procedure "aligns" them with a unified integrity standard for the process: prevention of conflicts of interest, prohibition of arbitrariness, requirements of proper documentation, access to materials, and appropriate notification of participants. This constrains "closed" models of disciplinary proceedings and review, making them more inclusive. In this sense, the law becomes not only a safeguard for valuers, but also an instrument for strengthening trust in valuation findings relied upon by public authorities in property-related decision-making.

Equally significant is the “cultural” shift. Scholars rightly emphasise that the Law on Administrative Procedure is not only a “procedural statute” but also a “code of conduct” for public administration: it promotes service orientation, mutual trust, and good governance. For the valuation market, this entails a reorientation of the interaction between the SPFU and economic actors from a “supervisory” to a “service-oriented” model: from directive control to institutional partnership, where the goal is a high-quality, reproducible and well-founded valuation outcome rather than the number of formal refusals. This shift does not abolish control, but renders it reasonable and proportionate, which, according to commentators on the law, is a key factor in the robustness of administrative acts and in strengthening public trust in the state [7].

At the same time, the implementation of the Law on Administrative Procedure (LAP) in the valuation sector reveals a number of practical challenges. First, the alignment of numerous by-laws of the State Property Fund of Ukraine (SPFU) – from regulations on maintaining the Unified Database to rules on reviewing valuation reports – requires methodological work and staff training to ensure that the “letter of the LAP” does not remain merely declarative. Second, the proper reasoning of decisions and the guarantee of the right to be heard increase the workload for reviewers and commissions; in the short term, this may slow down proceedings, but in the long term it improves their quality and reduces the number of appeals. Third, electronic services must, in practice, record all procedural events (submission of documents, requests for information, notifications); otherwise, digitalisation does not translate into procedural safeguards. Finally, a sustained dialogue with the professional valuation community and an update of national valuation standards are necessary so that “procedure” and “methodology” mutually reinforce one another.

It is also important to note that the content of the Law of Ukraine on Valuation is evolving: in 2024–2025 active discussions took place on a complete overhaul of the sectoral regulation (including the introduction of new draft laws), and several versions of the law were recorded in the official database during this period. Under such conditions, the LAP functions as a “stabiliser”: even when special norms fluctuate, the procedure by which the administration adopts its decisions remains unified and predictable. For market participants, this serves as insurance against regulatory “surfing”, where changes to a by-law could previously radically affect review practices or the issuance of electronic valuation certificates. Now any such change must pass through the LAP “filter”: whether participation rights are respected, whether the act is sufficiently reasoned, whether the interference is proportionate, and whether an effective administrative remedy is provided.

Thus, firstly, the LAP has already institutionalised the right of valuers, clients and interested parties to be full participants in administrative proceedings before the SPFU, including access to the case file and the right to be heard before an adverse decision is taken (for example, the adoption of a negative review with authoritative consequences). Secondly, it has obliged the administration to provide reasons for its decisions and standardised notifications and time limits, making practices of report review and registration more predictable. Thirdly, the LAP has unified administrative appeals: a 30-day time limit, clear requirements for the complaint, rules on its examination and the duty to provide reasoning, which significantly enhances the effectiveness of pre-trial protection. Fourthly, it has “digitised” procedures: the SPFU’s electronic services now operate not only technologically, but also procedurally, as administrative proceedings resulting in legally significant acts. Finally, the LAP has raised the standard of procedural legitimacy in public property-related decisions for which valuation constitutes the intellectual foundation – from organising privatisations to determining compensation in cases of expropriation.

One should also note the shift in the “language” of the special law. Following the adoption of the LAP, sectoral provisions increasingly refer to its institutions rather than creating parallel procedural frameworks. The official versions of the Law of Ukraine on Valuation published in the database of the Verkhovna Rada expressly link amendments to the consolidated version of the law as amended by Law No. 4017-IX of 10 October 2024 [10], which is direct confirmation of the “legal overlay” of the LAP on special regulation. This is not merely “codification cosmetics” but a political signal: the valuation market no longer exists under a “departmental dome” but is integrated into the general system of administrative safeguards.

## 5. Conclusions.

The Law on Administrative Procedure marks a new stage in the interaction between state authorities and society, where the primary resource is no longer coercive power but procedural trust. Transposed to the field of valuation, this yields the following thesis: high-quality valuation of property and property rights is not only a matter of correctly choosing an approach and collecting market data; it is also the result of a proper administrative procedure in which the review (recension) is not a “punitive verdict” but an element of professional dialogue structured in accordance with the Law on Administrative Procedure.

The purpose of this Law – to establish transparent rules of interaction between the state, citizens and business – is already transforming valuation activity in Ukraine. It changes the logic of communication within the State Property Fund of Ukraine, unifies procedures, and improves the quality of administrative acts that rely on valuation. In the coming years, further “embedding” of these standards into practice can be expected – through the revision of by-laws, adaptation of electronic services, training of reviewers and commission members, as well as through the development of judicial practice, which will entrench new procedural “red lines”.

All parties benefit: the state – through more robust and transparent decisions; the market – through greater procedural predictability; citizens and businesses – through enhanced protection of their rights in administrative proceedings where valuation of property and property rights is a key element. Thus, the Law on Administrative Procedure has already become, and will increasingly function as, a “meta-norm” for the valuation of property and property rights – a norm that does not define the calculation formulas or adjustment coefficients, but fundamentally enhances the reliability and legitimacy of the entire valuation system.

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