

GUIDELINES ON CERTIFICATE OF MEMBERSHIP AND PRACTICE (COMP) ISSUED BY THE IOV REGISTERED VALUERS FOUNDATION

IOV Registered Valuers Foundation (“IOV RVF”) formed under section 8 of Companies Act, 2013 and governed by a Board of Directors, is a recognised Registered Valuers Organisation by the Insolvency and Bankruptcy Board of India.

Valuation landscape in India is evolving and in the recent times has seen a number of landmark changes including the introduction of the Registered Valuers and Valuation Rules, 2017, that governs both the Registered Valuers and Registered Valuers Organisations. These regulations have been introduced to bring about standardisation, transparency and best practices in the field of valuation in India.

The Registered Valuer (RVs) are required to remain in compliance & adherence to the provisions of the Act, rules, regulations, and guidelines issued there under, and the Bye-Laws, the Code of Conduct, and directions given by the Governing Board of IOV RVF from time to time and/or the Authority (IBBI) as disclosed on the website of IOV RVF or communicated to RVs registered email address.

In light of this, we would like to make aware all the RVs with the compliances to be made mandatorily by you.

After registration as a Registered valuer it is mandatory to attend COP training, conducted by the IOV RVF, to receive the Certificate of Practice (“COP”).

Validity of the COMP is till 31st March of the year in which the COMP has been issued and is required to be renewed annually w.e.f. 1st of April.

COMP shall be issued and renewed only after the completion of the following compliances as listed below:

- 1) Renewal of Annual Membership by:
 - Paying all dues including Annual Membership Fees which becomes due from the 01st day of April for every relevant financial year and shall be paid by 10th day of April for the relevant financial year;
 - No pendency of any Grievance and Disciplinary Action against the Valuer Member.
- 2) Submission of:
 - Annual Date through E-form, M-3 to be submitted by 15th day of April annually.
 - Activity Data through E-form, M-4 to be submitted half yearly by 15th day of April and 15th day of October for each financial year,
- 3) Has generated **VRN (Valuation Reference Number)**, which is a unique number, from the Member Area of IOV RVF by login into <https://iovrvfhub.org/login>, for every valuation assignments that have been attested by a RV of IOV RVF done under Companies Act, 2013, Insolvency and Bankruptcy Code and SEBI Act. **(Detailed process is attached herewith).**
- 4) Earn mandatory 16 Certified Education Program (“CEP”) credit hours every financial year.

Further, this is to inform that IOV RVF has classified the Registered Valuers into three categories according to the compliance status of RVs on our website under the given link: <https://iovrvf.org/registeredvaluers>.

- 1) **Category A – Compliant:** Valuer Member(s) submitting the information regularly and fully complying with all the above-mentioned compliances, the provisions of the Companies Act, 2013, Companies (Registered Valuers and Valuation Rules), 2017, Regulations and Guidelines issued thereunder, and the bye-laws, the Code of Conduct, and directions given by the Governing Board and IBBI;

- 2) **Category B – Semi-Compliant:** Valuer Member(s) submitting information with delay or are irregular in complying with the compliances with policy or partly comply with the provisions of the Act, rules, regulations, and guidelines issued there under, and the byelaws, the Code of Conduct, and directions given by the Governing Board;
- 3) **Category C – Non-Compliant:** Valuer Member(s) who are not filing any information at all are considered as non-Compliant.

Furthermore, IOV RVF has launched a new WEBSITE '**IOV RVF HUB**' an exclusive site dedicated to our esteemed members with some of the following features:

1. The new dashboard in the member's panel will show the step-by-step journey of members in the new system.
2. Completely new user-friendly registration process with ability to access information regarding batches' schedules and joining these batches.
3. Members will be able to receive auto-generated Certificates for batch completion, membership and Practice in their designated member's areas.
4. Introduction of a completely new module for the members to know about their status related to Form A (registration process with IBBI)
5. The members can now access their payment history at one place and will be able to view and download GST invoices.
6. Even Registration and all related processes for Entities is available for the First Time in this system.
7. The members will be able to access schedule and enrolment for training programs including CEPs, Year wise segregation of CEP certificates, earned, required and pending credit points on their dashboard, helping them to easily comply with the mandatory requirements as per the Rules.
8. A dedicated module has been created for registration of the upcoming CEPs, by the members from other RVOs as well. The non-members will be able to download GST Invoices and participation certificates from their login area. This is the first time that any RVO has created an ease in joining any programme for the non-member.
9. IOV RVF was first to start issuing VRN (Valuation Reference Number) to RVs for it to be mentioned in their Valuation reports. Obtaining renewed VRN module involves filling of information in two stages -1) Pre engagement form for obtaining the VRN and 2) Post engagement form on completion of the assignment. Using and filling for VRN will lead to member's M4 form being filled automatically.

We are glad to inform that RVs can now access **IOVRVF-HUB MOBILE APP in your mobile** enabling you to access all facilities like registering for events and the member area. This is not all, and more is in pipeline where IOV RVF endeavor's to meet the aspirations of Professionals for upgrading the facilities to the entire and mutual benefit of the FRATERNITY.

It is also requested to go through the attached detailed list of additional compliances, which is to be mandatorily complied by the RVs. A regular update shall be provided in case of any further information/documents and/or compliances required by the Authority (IBBI) or IOV RVF from time to time.

Team IOV RVF is thankful to all RVs for choosing IOV RVF to become a Registered Valuer Member. We assure for the best of the co-operation and expect the same from RVs to further improve upon the quality and up gradation of the Profession.

Note:

- 1) For any queries on COMP renewal or issuance, you are most welcomed to write to us at monitoring@iovrvf.org
- 2) For any feedback on the performance of IOV RVF, you are most welcomed to write to us at valuers@iovrvf.org

DETAILED LIST OF ADDITIONAL COMPLIANCES FOR REGISTERED VALUERS

- 1) COP TRAINING - Every Registered Valuer Member (RV) of IOV RVF is mandatorily required to undergo training for the assets class for which he is registered before he is granted Certificate of Membership and Practice (COMP) by the IOV- RVF.
- 2) RV shall fully comply & adhere, at all times, to the provisions of the Act, rules, regulations, and guidelines issued there under, and the Bye-Laws, the Code of Conduct, and directions given by the Governing Board of IOV RVF from time to time.
- 3) RV has to adhere to the code of conduct as specified in the Companies (Registered Valuers & Valuation) Rules, 2017 and as specified by IOV RVF from time to time including:
 - a. discharge of functions with the highest standards of professional competence and professional ethics.
 - b. shall at all times act in good faith in discharge of his duties as a registered valuer.
 - c. shall discharge its functions with utmost integrity and objectivity.
 - d. shall always be independent and impartial in all its assignments.
 - e. shall always maintain confidentiality of information obtained in the course of his professional activities unless required to disclose such information by law.
- 4) RV shall conduct valuations only for the Asset Class for which he is a Registered Valuer and not for any other Asset Class. However, he may obtain inputs for his valuation report or get a separate valuation for an asset class conducted from another registered valuer, in which case he shall fully disclose the details of the inputs and the particulars of the other registered valuer in his report and the liabilities against the resultant valuation.
- 5) RV shall while conducting valuation, comply with the valuation standards as notified or modified under rule 18 of the Companies (Registered Valuers and & Valuation) Rules, 2017. However, until the valuation standards are notified by the Central Government, RV shall make valuations as per
 - a. the internationally accepted Valuation Standards (IVS)
 - b. Valuation standards adopted by RVO.
- 6) RV has to continuously maintain professional knowledge and skill to provide competent professional service based on upto date developments in practice, prevailing regulations/guidelines and techniques. Accordingly RV has to attend seminars/trainings etc. as per the CEP Policy of IOV RVF and the number of hours attended are required to be credited in his account for the renewal of COP. No carry forward of any excess or short CEP credit hours shall be allowed to the next year. RV would be required to submit adequate proof of CEP credit hours earned in a year to IOV RVF at the time of renewal of Certificate of Membership and Practice.
- 7) RV has to maintain records of each assignment undertaken by him for at least 3 years from the completion of such assignment.
- 8) RV shall furnish following information and records to IOV RVF as required by IOV RVF and the Authority periodically in the prescribed forms:
 - a. Annual Data- To be given at the time of annual renewal of Certificate of Membership and Practice in the E-Form M-3 which shall be active on the Member Area. M-3 shall be submitted by the RV every year by 15th day of April and within 15 days of any change in the data along with all the required documents. Annual Data consists of information furnished. Annual Data consists of information furnished by a person at the time of enrolment with the IOV RVF, which is less likely to change but is material in terms of the eligibility of the Member to continue as Registered Valuer Member i.e., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of Registration by IBBI, etc.

- b. Activity Data- to be given half yearly in the E-Form M-4 by 10th day of April and 10th day of October every year.
RV is required to report details of each ongoing and concluded engagement relating to valuation which is to be given half-yearly by 10th of April and 10th of October of each year and submit a copy of all the relevant records to IOV RVF. The report should, inter alia, include background information of the asset being valued, purpose of valuation, fees charged and appointing authority, disclosure of valuer's interest or conflict, date of appointment and valuation date and date of report if submitted, Inspection undertaken, valuation standards followed, major factors that were taken into account during the valuation, non-adherence to directions/regulations/laws, details of complaints received with respect to the valuation engagements, valuations challenged in Court, if any etc. RV shall also need to report any criminal proceedings initiated against the Valuer Member in the E-Form M-4.
- c. VRN i.e. Valuation Reference Number- It is a unique number generated on the IOV RVF Member Area for every valuation assignments that have been attested by a RV of IOV RVF done under Companies Act, 2013, Insolvency and Bankruptcy Code and SEBI Act.
VRN is required to be mentioned for every assignment reported in M-4 form.
VRN mandatorily needs to be generated by every RV within 5 days of getting the assignment.
VRN is required to be mentioned in the Valuation Report issued by the RV. It is one of the mandatory compliance as per the Companies (Registered Valuers and Valuation) Rules, 2017.
- 9) Guidelines on use of Caveats, Limitations and Disclaimers by the registered valuers in valuation reports.
Rule 8 (3) (l) provides that the RV shall include caveats, limitations and disclaimers in the valuation report, to the extent that they explain or elucidate the limitations faced by the RV, which shall not be for the purpose of limiting his responsibility for the valuation report.
IBBI vide its notice dated September 01, 2020, issued a IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020 ("Guidelines").
These Guidelines provide guidance to the RVs in the use of Caveats, Limitations, and Disclaimers in the interest of credibility of the valuation reports. These also provide an illustrative list of the Caveats, Limitations and Disclaimers which shall not be used in a valuation report.
- Source: (<https://www.ibbi.gov.in/uploads/legalframework/e5e1300db2dd6a8bebe289ba579a7c14.pdf>)
- 10) RV shall report within 48 hours of any warnings or penalties or strictures imposed by the competent authority; or initiation of legal action against him.
- 11) Falsification, misreporting or non-reporting of information provided shall lead to initiation of Disciplinary Proceedings against the member.
- 12) RV shall fully co-operate with the authorised representative and allow access to all information including the records, documents and other information which is relevant to the inspection and verification of the information and records of the Registered Valuer Member.
- 13) RV shall take adequate steps for redressal of grievances of the stakeholders/clients.
- 14) RV may temporarily surrender his registration certificate in accordance with the bye-laws or regulations.
- 15) RV shall take prior permission of IOV RVF and the authority for shifting his/her membership from IOV RVF to another.

- 16) In case of any misconduct of any nature whatsoever by RV or in case RV fails to do the following, he/she shall be liable for appropriate action under the Disciplinary Policy of IOV RVF. -
- a. complies with this Monitoring Policy; or
 - b. complies with the duties prescribed for registered valuer members; or
 - c. provides prescribed information & records to IOV RVF; or
 - d. allow access to IOV RVF or its authorised representative to undertake inspection of information and records; or
 - e. complies with the provisions of the Act, rules, regulations, and guidelines issued there under; or
 - f. complies with the Byelaws, the Code of Conduct, and directions given by the Governing Board of IOV RVF