Relevant points for consideration in issuance of letter of Assignment (LOA) by the Insolvency professionals to the Registered Valuers

The Letter of Assignment (LoA) is essentially the responsibilities of both the valuer and the client in the assignment and conditions that will govern the use of the valuation report upon the lines as listed below:

- Identity and status of the valuer
- Identity of the client
- Identity of other intended users
- Identity of Asset being valued, and specifically the interest
- The valuation currency
- Purpose of the valuation
- Basis of value
- Valuation date
- The nature and extent of the valuer’s work and any limitations thereon
- The nature and sources of information upon which the valuer relies
- Significant and/or special assumptions, if any
- The type of report being prepared. It is important also to include format, number of copies and delivery method.
- Restrictions regarding use and confidentiality of the report.
- That the valuation will be prepared in compliance with IVS (as adopted by IOVRVF) and that the valuer will assess the appropriateness of all significant inputs.
- Assignment duration including meetings and timeline for receiving and addressing client comments
- Provision for expert opinion.
- Valuer’s fee
- Greivance procedure, if any
- Timely communication regarding changes to agreement or cancellation.
- Applicable jurisdiction

Kindy Note:

The following persons shall not be appointed as registered valuers, namely:

1) a relative of the Resolution professional;
2) a related party of the corporate debtor;
3) an auditor of the corporate debtor at any time during the five years preceding the Insolvency commencement date; or
4) a partner or director of the insolvency professional entity of which the RP is a partner or director.