

# **INTERNATIONAL BUSINESS VALUERS ASSOCIATION**

## **INSPECTION POLICY**

### **AIM OF THE INSPECTION POLICY**

The main aim of the Inspection Policy is to regulate the Registered Valuers registered with IBVA-RVO and monitoring their services by the members. This policy applies to all valuers registered with IBVA-RVO. The policy will also help the members in improving their standards in their services and fulfill the same as per the requirement of regulation.

Committee will collect information and details from the RV and submit to the IBVA-RVO board for proceeding without any favoritism or without any bias.

### **INTRODUCTION**

Inspection policy has been framed to help the Registered Valuers in the Association to work according to the policy in line with the IBBI legal frame work. The Policy would ensure that

- Relevant information is submitted to the IBVA-RVO as per the Regulations issued by the IBBI.
- Every Member required to work as per the guide lines and legal frame work given by IBVA-RVO and will be inspected by the committee formed by the IBVA-RVO Board
- Members would submit valuation assignment details as per IBBI periodically to the RVO as per format designed by the IBBI.
- A Committee is formed and approved by the IBVA-RVO board
- The Committee will work according to the guide lines and as per the regulations of the rule in force.
- Committee will submit the findings and report to the Board and action required to be taken for further proceeding will be as per the Disciplinary Policy

## **DEFINITION**

The following definition requires In this Policy, unless the context otherwise requires

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- **"Company" means a company registered under the Companies Act, 2013 (18 of 2013) or under the Companies Act, 1956 (1 of 1956);**
- **"Act" means the Companies Act, 2013 (18 of 2013);**
- **Asset Class as defined by the IBBI and separate valuers for each asset class as follows**
  - **Land & Building**
  - **Plant and Machinery**
  - **Securities or Financial Assets**
- **IBVA – Bye Laws regulated from time to time**
- **“VM” means Valuers Members on completion of 50 hrs course**
- **“COP” means Certificate of Practice issued by IBVA-RVO on passing IBBI Examination and after getting Registered Valuers Certificate from IBBI.**
- **“CEP” Continuing Education Program and obtain mandatory required points stipulated in the ACT / Rules and Regulation. The valuers require to attend the CEP conducted by IBVA–RVO and to acquire knowledge on asset class by the Valuers.**
- **“Code of Conduct” as per the Bye Law and International Standards of Practice**

## COMPLAINT

Every Registered Valuer required to submit informations as per the Bye Law and IBBI Legal frame work periodically to IBVA-RVO

Nature of Complaints is defined based on the following.

SNO	Grade	Description of Complaint	Nature of Compliance
1	Grade A	100% compliance by the Valuers – Fully Compliance	Following the Rules and Regulation given by the IBVA RVO from time to time and other regulations of IBBI regularly
2	Grade B	Less than Average or Delay in Submission by the Registered Valuers– Average Compliance	Delay in submission by members for the reports required by the Bye Law
3	Grade C	Non Compliance	Never Comply with the rules and regulations required by the Registered Valuers.

## PROCEDURE FOR INSPECTION

Members will be selected based on the grade (Compliance status) and would be inspected periodically. A records related to their assignment of the Registered Valuer will be inspected.

The Inspection mainly covers the following

1. Registered Valuers Office and infrastructure available and level of training to their staffs and their standard of working.
2. RV's compliance with code, bye laws and other standards prescribed by the RVO.
3. Compliance to Valuation Standards, method of conducting valuation and engagements to their reporting including quality of reporting.

S. No.	Procedure	Requirements
1.	<b>Formation of Committee &amp; Responsibilities</b>	<p>Committee formed by the IBVA from time to time from committee member, Board Member, officer of IBBI, valuer from the IBVA will be advised to carry out the inspection. The inspection will be carried by a committee consisting of only 3 members. The report shall be submitted by the committee.</p> <p>The Committee to monitor the functions of the inspection and review monthly about the system and update the same and submit to the Board with their recommendations.</p>
2.	<b>Selection of Inspection Team</b>	The Team will be selected by the committee.
3.	<b>Responsibilities of Team</b>	<p>The team shall submit report without any bias and within 15 days from the date of completion of inspection.</p> <p>The team shall not show any favourism to any RV member.</p> <p>The team has do the inspection as per the guide line provided.</p>
4.	<b>Main Coverage</b>	<p>The main aim of the inspection is to conduct inspection on the registered valuer services on valuation to their client under Companies Act 2013 / IBC.</p> <p>The RVs are expected to submit periodical report to IBVA, the same records will be inspected.</p> <p>Following are included for Inspection</p> <ul style="list-style-type: none"> <li>➤ Compliance to Valuation Standards</li> <li>➤ Compliance with Bye laws, Rules and regulations</li> <li>➤ Compliance with Code of conduct</li> <li>➤ Methods Procedures and quality of reports</li> <li>➤ Training attended and credit points earned during the financial year / during the period of inspection.</li> </ul>
5.	<b>Periodical Inspection</b>	<p>The Inspection starts from 1<sup>st</sup> October 2020 for the Registered Valuers in IBVA Based on the compliance with grades members will be selected and listed and submitted to board and committee.</p> <p>The period of inspection shall be as below</p> <ul style="list-style-type: none"> <li>➤ Members with 3 years registration</li> <li>➤ Members with less than 3 years from the date of registration to till date.</li> </ul>

<p><b>6.</b></p>	<p><b>Responsibilities of Registered Valuers</b></p>	<p>The Registered Valuers selected for inspection will be informed well in advance about the inspection.</p> <p>The selected RV has to submit the following to the Inspection team</p> <ul style="list-style-type: none"> <li>➤ Registration records</li> <li>➤ Assignment received and reports submitted</li> <li>➤ Details submitted to IBVA</li> <li>➤ Allow team to inspect all records and register maintained by the RV</li> <li>➤ Pay the inspection team charges as billed by the IBVA</li> </ul>
<p><b>7.</b></p>	<p><b>Responsibilities of Inspection Team</b></p>	<ul style="list-style-type: none"> <li>➤ The team selected by the Board has to complete the inspection within the stipulated time.</li> <li>➤ The team has to inspect only as per the bye law and rules and regulation provided by the board from time to time.</li> <li>➤ No undue advantage to be taken from the RV</li> <li>➤ The team has to inspect only related to the valuation assignment and any other business provided by the RV</li> <li>➤ The team has to complete the inspection and collect details and data pertaining to the assignment as provided by the RV in the details report provided to IBVA</li> </ul>
<p><b>8.</b></p>	<p><b>Report submission by committee</b></p>	<ul style="list-style-type: none"> <li>➤ The Inspection Team has to submit the report in the prescribed format approved by the Board.</li> <li>➤ The report required to be submitted within 15 days from the date of inspection.</li> <li>➤ The bills for the inspection to be submitted to IBVA and IBVA will issue the bill to the RV for payment. The cost team will be paid by the IBVA</li> <li>➤ The team should not claim any payment or take any advantages from the RV during or after the inspection.</li> </ul>

## **Review of the Inspection Policy**

**The Policy will be implemented with immediate effect. The uploaded policy will be in force for IBVA-RVO for Registered Valuers.**

**The Policy will be monitored by the IBVA-RVO Board, Monitoring Committee and Inspection Committee regularly.**

**This Inspection policy will be reviewed by**

- **Inspection Committee – 3 months once,**
- **Monitoring committee - by every six months once**
- **IBVA-RVO - Board- by yearly once.**

**The policy will be amended from time to time by IBVA - RVO board as per the regulations of IBBI as and when required.**