

Information about the important decision taken in the 38th Monthly meeting dated 7th April'21 of RVO's with IBBI

Peer review of Valuation Reports of member RVs for the valuations undertaken during October 2019 - March 2020: RVOs were requested to have a policy on peer review with the approval of their Governing Board. It was noted that PVAI RVO was the only RVO which had a peer review policy, and the policy was also uploaded on its website. ICAI RVO submitted that it had prepared a peer review policy for the consideration of its governing board. The other RVOs stated that they were in the process of preparation of the same. The Chair suggested that as the three professional institutes (ICAI, ICSI ICAI-Cost) have policies for peer review of their members, the RVOs could have a policy on similar lines. It was decided that MD of ICMAI RVO would prepare a draft policy as suggested and circulate to all RVOs.

It was clarified that the training programme for COP could have a session on caveats limitations and disclaimers to create awareness about the same.

Clarifications on credit of CPE hours- It was clarified that CPE credit for a programme attended by an RV cannot be used to comply with the CPE requirements of multiple professions and can be used only once.

Review of Insolvency and Bankruptcy Board of India (Use of Caveats, Limitations and Disclaimers in Valuation Reports) Guidelines, 2020- It was noted that 3.6 (ii) of Insolvency and Bankruptcy Board of India (Use of Caveats, Limitations and Disclaimers in Valuation Reports) Guidelines, 2020 provides as under: '3.6 Illustrative Caveats, Limitations, and Disclaimers in a Valuation Report not to be usedii. Physical Verification: RV giving a disclaimer that he has not physically verified the tangible assets in case where engagement is for providing liquidation value.....' This provision seems to imply that physical verification of tangible assets is mandatory only for providing liquidation value. It was suggested that physical verification of tangible assets be made mandatory for all valuation under the Rules.