

Information about the important decision taken in the 39th Monthly meeting dated 7th June'21 of RVO's with IBBI

Review of Insolvency and Bankruptcy Board of India (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020- IOV RVF, ICMAI RVO and CEV IAF had provided their feedback while AIIOVF, CVSRTA RVA and RVO ESMA had shared detailed suggestions. Other RVOs were requested to share their suggestions within the next fortnight so that they can be considered in the next monthly meeting.

Clarification on credit and Annual Compliance of CPE hours- Some additional requirements which could be counted for grant of CPE hours was discussed. At the request of some of the RVOs, it was decided that CPE hours for conferences/seminars would be given for the duration of technical sessions. The existing requirements, which could be counted for CPE along with other terms and conditions, which were decided in the previous monthly meetings were compiled at one place for ease of reference, and these, along with the new requirements as agreed during the meeting are placed at Annexure-B.

Discussions on additional requirements for recognition of an RVO- The following additional requirements were considered: - a. An applicant shall satisfy the Authority, through inspection, that it has adequate infrastructure by way of office space, furniture and fixtures, IT facilities, human resources, and training facilities to run the affairs of RVO smoothly. b. An RVO shall have at least 100 RVs by the end of first year from the date of recognition and at least 200 RVs at the end of second year. The existing RVOs shall comply with the requirements by 31st March, 2022. The issue was discussed and the RVOs suggested that for item b, instead of RVs, enrolled members should be considered as sometimes applicants take enrolment and complete the educational course but do not apply for registration as RV. Similarly for item c, additional time to comply with the requirement should be provided till 31st March, 2023.

Miscellaneous

- a. **Guidance notes on COVID impact on Valuation-** At the request of the authority, Dr S K Gupta of ICMA RVO, Dr Prashant Sarangi of ICSI RVO, Ms Sarika Singhal of ICAI RVO, Mr Sunit K Gupta of CVSRTA RVA and Mr Sundeep Bansal of CEV IAF volunteered to prepare a note on the impact of COVID-19 on valuation. Others were also invited to contribute towards this initiative.
- b. **Concerns regarding the Valuation Examination-** Some RVOs expressed concerns that some of the questions in the examination were irrelevant and some questions also have more than one correct answer. It was clarified that the questions of the Valuation Examination have been prepared by a pool of experts and if there are any specific areas which requires attention, it can be brought to the notice of the Authority. The suggestion regarding conduct of the examination through proctoring would be considered and regarding non availability of slots, it was advised that the same was due to the lockdown and ongoing pandemic, but specific requests may be addressed to the division and these would be examined for possible resolution.

Annexure-B

Continuing Professional Education by Registered Valuers Organisations

I. Existing CPE requirements-

(As decided in consultation with RVOs in the Monthly meetings)

1. 16 hours of CPE is mandatory for RVs;
2. IBBI shall monitor compliance with the CPE requirements from 1st April, 2019
3. The CPE will be conducted through Online mode (vide circular No. IBBI/RVO/032/2020 dated 20th March, 2020)
4. To facilitate RVs complete CPE, a member of an RVO can participate in the CPE of another RVO;
5. A valuer member can participate in the CPE programme conducted by any RVO and would be provided credit for the same;
6. One or more RVOs may jointly organise programmes for CPE and the fees may be shared on a pro rata basis;
7. The fees of the CPE organised by an RVO shall only be credited to the bank account of the RVO, who is conducting the program;
8. The manner of taking CPE by a RV shall be flexible in the initial years, it can be spread over a period of one year or may be taken at one instance. The Board will review this after 18 or 24 months;
9. CPE credits should be accorded only for technical sessions conducted during a programme;
10. Only those RVOs which have enrolled members, in compliance with provisions of Rule 12(2)(e), shall organise CPE. To avoid any inconvenience to the RVs who have undertaken CPE before 07th January 2021 will be given CPE credit by the RVOs;
11. Only the RVOs which have RVs in the specified asset class shall organise CPE for that asset class;
12. A cap on the number of participants of the educational course and CPE has been kept to ensure the quality of education imparted by the RVOs to 100. The Board may consider review of this provision only if adequate justification is provided for the same;
13. The RVOs can always arrange for webinars with eminent professionals with more than one hundred participants for which CPE credit shall not be available;
14. CPE credits would not be available for more than one such programme in a financial year in case of CPE programme organized by a promoter organization and RVO jointly to participating members of RVOs;

15. 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;
16. Compliance report of RVs for CPE will be submitted to the Authority within one month after the close of the Financial Year