

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/RVO/34/2020

09th October, 2020

To
All Recognised Registered Valuers Organisations (RVOs)
(By mail to registered email addresses and on website of the IBBI)

Subject: Meetings of the Disciplinary Committee and Appellate Panel of the RVOs.

Madam / Sir,

The Registered Valuers Organisations (RVOs) act as front line regulators under the Companies (Registered Valuers and Valuation) Rules, 2017. They provide the institutional arrangement for oversight, including the development and regulation of the registered valuers (RV). They grant membership to valuers, who comply with the eligibility requirements as provided in the Rules, conduct the educational courses in valuation and provide the training to the individual members.

2. Clause 8 (d) of Model Bye laws forming part of the Companies (Registered Valuers and Valuation) Rules, 2017 provides that the Governing Board of the RVO shall constitute one or more Disciplinary Committee (DCs) consisting of at least one member nominated by the authority.

3. Further, Clause 25 (1) of Model Bye-Laws forming part of the Companies (Registered Valuers and Valuation) Rules, 2017 provides that the Governing Board shall constitute an Appellate Panel (AP) consisting of one independent director of the Organisation, one member each from amongst the persons of eminence having experience in the field of law and field of valuation, and one member nominated by the authority.

4. It has been observed that the RVOs have been following different practices in conducting the meetings of the DC and AP. Accordingly, the Board advises the RVOs to ensure the following while conducting the meetings of the DC and AP of the RVOs:

- a. Meetings of the DC and AP should be held only if there is an agenda for the meeting. Accordingly, the meeting of the DC will be held for considering the issue or disposal of a show cause notice (SCN) to a member. The meeting of an AP would be held to consider the issues raised in the appeal filed by the aggrieved against the order passed by the DC;
- b. Meetings are to be held preferably, through an appropriate Video Conferencing (VC) facility, keeping in view the current pandemic;
- c. One week's notice is to be given to all the members for holding any meeting and notice for the same is to be sent through email;
- d. The minutes shall be signed by the members of the committee present during the meeting;

- e. The quorum for the meeting should be as provided in the Bye laws of the RVO but should be a minimum of two members including the Chairperson and;
 - f. If a member of the committee is related to the person against whom action is proposed by the DC or AP, or there is any other issue of conflict of interest, the member shall recuse himself/herself from the proceedings.
 - g. Other conditions:
 - i. Governing Board of the RVO shall be the sole authority for fixing the amount of sitting fee to be paid to the members of the DC and AP, but it cannot be less than the amount payable to the independent director as sitting fee;
 - ii. In case, any of the member who has been nominated by the IBBI does not agree to the amount of fee proposed to be paid, than RVO shall bring this fact to the notice of IBBI within seven days, upon which another person will be nominated; and
 - iii. The tenure of IBBI's nominee shall, in general be for two years from the date of appointment, unless decided otherwise by the IBBI.
5. This circular is prepared in consultation with the RVOs.
6. This Circular is issued in exercise of the powers under clauses (e) and (i) of rule 14 of the Companies (Registered Valuers and Valuation) Rules, 2017.

Yours faithfully,
Sd/-
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Chief General Manager
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