

**Guidelines applicable for Valuers who provide services to a Market Institution,  
Market Intermediary, Listed Public Company or a Collective Investment Scheme**

**General  
interpretation**

1. The words and terms defined in the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 shall unless the context requires otherwise have the same meaning assigned to them in the said Act:

“Commission” means the Securities and Exchange Commission of Sri Lanka established in terms of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021;

“SEC Act” means the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021;

“Valuer” means any party engaged in:

- (i) providing services to value properties on behalf of a market institution, market intermediary, listed public company or a collective investment scheme; or
- (ii) providing services to value securities on behalf of a market institution, market intermediary, listed public company or a collective investment scheme.

and falls within the definition of a Supplementary Service Provider under the SEC Act.

**Applicability**

2. The guidelines set out herein shall apply to Valuers who provide services to a market institution, market intermediary, listed public company or a collective investment scheme.
3. Every Valuer shall comply with:
  - (a) the guidelines set out herein and any amendments thereto;
  - (b) provisions of the SEC Act which may be relevant and/or applicable to a Valuer;
  - (c) directives issued from time to time by the Commission;
  - (d) Rules issued by the relevant Market Institution licensed by the Commission; and

(e) the Sri Lanka Valuation Standards issued by the Institute of Valuers of Sri Lanka, International Valuation Standards issued by International Valuation Standards Council or Standards issued by any other recognized Professional Association (as applicable).

**Requirements to be met in the provision of services**

4. Prior to undertaking any work on behalf of a market institution, market intermediary, listed public company or a collective investment scheme, a Valuer shall:

- (a) have the necessary knowledge, skills and resources required to duly discharge the work undertaken;
- (b) have a proper understanding of the scope of services to be provided, its limitations and the time scale for the work;
- (c) follow the Sri Lanka Valuation Standards issued by the Institute of Valuers of Sri Lanka, International Valuation Standards issued by International Valuation Standards Council or Standards of any other recognized Professional Association (as applicable); and
- (d) comply with requirements and/or directives issued by the Commission.

**Qualifications and experience of those acting as Valuers**

5. Any person who is involved in the valuation of property on behalf of a market institution, market intermediary, listed public company or a collective investment scheme, shall possess the following minimum qualifications and experience:

- (a) a valid membership from the Institute of Valuers of Sri Lanka (IVSL), Royal Institute of Chartered Surveyors (RICS) or any other recognized Professional Association and
- (b) prior and relevant experience in the valuation of properties of a similar nature.

6. Any person who is involved in the valuation of securities on behalf of a market institution, market intermediary, listed public company or a collective investment scheme, shall possess the following minimum qualifications and experience:

- (a) a membership from the Institute of Valuers of Sri Lanka or any other recognized Professional Association relevant to the valuation assignment undertaken; and
- (b) requisite expertise to perform the valuation of a similar nature.

**Written Agreement**

7. A Valuer and the client shall execute a written agreement prior to carrying out valuations for and on behalf of a client which shall contain all the terms and conditions agreed to, by and between himself and the client.
8. A Valuer shall ensure that all valuation decisions, recommendations and actions are consistent with the terms of the written agreement entered into between the Valuer and the client.

**Maintenance of records**

9. A Valuer shall maintain copies of all agreements, records and other relevant correspondence pertaining to the client and such agreements, records and correspondence shall be retained by the Valuer from the date of completion of such valuation for a period of not less than six (6) years.

**Duty to furnish information and co-operate with Auditors appointed by the Commission**

10. Where the Commission having considered that it is in the interests of the Valuer or his clients, appoints an independent auditor or such other person or a body of persons to examine, audit and report either generally or in relation to any particular matter, it shall be the duty of such Valuer:
  - (a) to provide all information within his possession or which he is capable of obtaining; and
  - (b) to ensure that all the information which is furnished to such independent auditor is not false or misleading in any material particulars.

11. A Valuer shall not destroy, conceal or alter any records, property or books relating to the business of the Valuer, which are in his possession or under his control with the intention of defeating, preventing, delaying or obstructing the carrying out of any examination.

**Submission of information to the Commission**

12. A Valuer shall submit any information, clarification or explanation in relation to services rendered by him to a market institution, market intermediary, listed public company or a collective investment scheme upon request of the Commission as provided for in Section 169 (1) of the SEC Act.
13. The Commission may issue a directive to a Valuer to take any corrective action as determined by the Commission where the Commission is of the view that the services rendered by a Valuer to a market institution, market intermediary, listed public company or a collective investment scheme is likely to

cause harm to the interests of any investor as provided for in Section 169 (2) of the SEC Act.

**Governance and  
conflicts of interest**

14. A Valuer or any person assisting him in performing valuations pertaining to a market institution, market intermediary, listed public company or a collective investment scheme shall at all times follow and abide by the relevant legislation, regulations, other technical standards and code of conduct/ethics of the Association of which he is a member.
  
15. A Valuer shall not knowingly perform valuation services to a market institution, market intermediary, listed public company or a collective investment scheme involving an actual or potential conflict of interest unless:
  - (a) the Valuer's ability to act fairly is unimpaired;
  - (b) there has been disclosure of the conflict to all present and known prospective clients whose interests would be affected by the conflict; or
  - (c) all such clients have expressly agreed in writing to the performance of the valuation by the Valuer.