



GUIDELINES FOR ENLISTMENT OF VALUERS AND MONITORING OF PBA PANELS OF PROFESSIONAL VALUERS

YEAR 2013 UPDATE - 01

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1.00 DEFINITIONS

1.01 APPLICANT

A Sole Proprietorship, Partnership Firm or a Limited Company submitting an application for enlistment on an Approved Panel of Valuers maintained by Pakistan Banks' Association (PBA) shall henceforth be referred to as the '**Applicant**'.

1.02 APPROVED LIST

It is the list of Approved Valuers which Financial Institutions may use for valuation of assets, or on whose valuations Financial Institutions are allowed to base lending and banking decisions, at their own risk and responsibility, after taking all necessary precautionary measures and conducting all additional due diligence as considered necessary by them. PBA shall maintain the Approved List in line with the State Bank directives circulated vide Prudential Regulation VIII – Clause 4 – iii. The approved list is divided in three panels of Professional Valuers, as discussed in Section 3.01, and a Panel of Industry Specialists / Commodity Specialists, as discussed in Section 11.

1.03 DELISTING

De-listing is the act of removing a Valuer from the Approved List on account of irregularities or deficiencies. Factors warranting de-listing of Valuers are listed in Annexure 1.

1.04 FINANCIAL INSTITUTIONS (In the context of this Document)

All Banks / DFIs / NBFIs which under Regulatory Requirement based on Prudential Regulations of SBP (VIII – Clause 4 – iii) utilize / avail the services of Valuers and make lending decisions based on valuations of Assets / Securities by these Valuers shall henceforth be referred to as 'Financial Institutions'.

Banks include all Scheduled Commercial Banks, Provincial Banks and Foreign Banks maintaining branches in Pakistan. DFIs include Development Financial Institutions. NBFIs include Investment Banks, Venture Capital & Discount Houses, Housing Finance Companies, and Micro Finance Banks.

Names of currently existing Financial Institutions are included in Annexure 4, which is subject to change as per revisions of SBP's list of Financial Institutions as circulated by them in Banking

Circulars. Changes in SBP's list subsequent to publication of this release of the Guidelines will deem to be a part of Annexure 4.

1.05 PANELS

Sections of PBA's Approved List of Valuers, categorized according to the nature of Assets evaluated, (i.e., 1: Agricultural, Residential & Commercial Land & Buildings, 2: Industrial Plants & Machinery, and 3: Commodities)

Also, an Industry / Commodity wise list of Specialists.

1.06 RECOMMENDED LIMIT

A PBA recommended value of assets, till which valuation reports of a valuer for a particular borrower may be accepted.

Recommended Limit is subject to a 10% tolerance for excesses in value.

Recommended Limit is determined through the enlistment and appraisal criteria set out in Section 6.00 of these guidelines.

Prior to the 2013 update of the Guidelines, the Recommended Limit was tied to the amount of the borrower's facilities. From the 2013 update onwards, it is tied to the value of the total Assets valued for a borrower.

1.07 SPECIALISTS

Individuals specializing in one or more industries or commodities, are termed as Industry Specialists or Commodity Specialists respectively.

1.08 VALUER

A Sole Proprietorship, Partnership Firm, or a Limited Company that is engaged in the business of conducting Valuations of Collaterals for Banks and Financial Institutions.

2.00 REGULATORY FRAMEWORK

2.01 STATE BANK OF PAKISTAN REGULATIONS

The State Bank of Pakistan (SBP) in terms of BPRD Circular No.9 of April 27, 2000 circulated Prudential Regulation-VIII/NBFIs Rule 14 for Classification and Provisioning. In Paragraph (iii) of this Circular directives were issued that Pakistan Banks' Association (PBA) will maintain a Panel of Valuers for the purpose of valuation of mortgaged/pledged assets of the borrowers.

Accordingly PBA has developed guidelines and defined minimum eligibility criteria with the prior approval of SBP for placement of Valuers on the Approved List to be maintained by it.

Any subsequent alterations and amendments to this document shall also be in conformity with SBP's prevailing regulations at the time of the alteration or amendment, and shall be referred to SBP before being brought in force.

SBP may at its own discretion review, alter amend or revise the Prudential Regulations relating to the role of Valuers and such revised Prudential Regulations will be binding on the Valuers whether seeking fresh enlistment or already on the Approved List of Valuers.

2.02 PBA'S RIGHT OF REVISION, AMENDMENT, ALTERATION, MODIFICATION OF THIS DOCUMENT

PBA reserves the right to revise, amend, alter or modify these guidelines and the same will be binding on the Valuers already on the Approved List or applying afresh. All revisions, amendments and alterations done by PBA shall remain within the operating framework and the regulations specified by SBP.

2.03 COMMUNICATION OF REVISIONS, AMENDMENTS, ALTERATIONS AND MODIFICATIONS IN THE ELIGIBILITY CRITERIA AND OTHER REGULATIONS CONCERNING VALUERS

Revisions, amendments, alterations and modifications in the eligibility criteria and other regulations concerning the valuers will be announced and placed on the PBA website at www.pakistanbanks.org. Amendments will also be communicated to valuers and Banks / FIs by email.

2.04 TIMEFRAME FOR COMPLIANCE WITH THE REGULATIONS CONCERNING APPROVED VALUERS AND REVISIONS, AMENDMENTS, ALTERATIONS AND MODIFICATIONS THEREIN

Unless specifically mentioned in the directives, a period of 45 days would generally be allowed to Approved Valuers for compliance of the regulations and revisions therein. Approved Valuers not complying with the requirements within the stipulated 45 day period or the specifically allowed timeframe shall be delisted by PBA where considered necessary.

2.05 UNDERTAKING / CERTIFICATE OF COMPLIANCE WITH THE REGULATIONS CONCERNING APPROVED VALUERS OR REVISIONS, AMENDMENTS, ALTERATIONS AND MODIFICATIONS THEREIN

PBA may require Approved Valuers to issue an Undertaking / Certificate of Compliance to the Regulations and amendments therein, that should reach the PBA within the timeframe allowed for compliance in Clause 2.04 hereinabove. The responsibility for ensuring receipt of the Undertaking / Certificate at PBA's registered office shall be that of the Valuers.

PBA reserves the right to have the contents of the Undertaking / Certificate verified through any means considered appropriate, at the cost of the Valuer concerned.

With any change in Prudential Regulations affecting Valuers, PBA shall reserve the right to ask for a revised undertaking. The contents of the undertaking provided to PBA shall be binding on Approved Valuers. Non-compliance would lead to de-listing the name of the Valuer, if warranted.

3.00 STRUCTURE OF THE APPROVED LIST & OWNERSHIP REQUIREMENTS FOR ENLISTMENT

3.01 PANELS OF APPROVED VALUERS

The List of Approved Valuers is divided into three distinct Panels. These are:

Panel - I

This section of the Approved List includes Valuers engaged in valuation of LAND AND BUILDINGS. Land includes all kinds of Agricultural, Residential and Commercial Land, and Buildings include all kinds of Residential and Commercial Structures and Buildings excluding Industrial Plants and Infra-structural Construction.

Panel - II

This section of the Approved List includes Valuers engaged in valuation of PLANTS AND MACHINERY. These include Industrial Plants & Machinery and Infra-structural construction (such as telecommunication networks, roads & highways, railway tracks, water & sewerage lines, oil and gas transportation networks, etc.). Valuers included in Panel II may either render services for valuation of all kinds of Industrial Plants & Machinery and Infra-structural Facilities, or may specialize in certain areas. Member Banks shall themselves determine the suitability of the Valuer for valuation of the specific kind of Plant & Machinery or Infra-structural Facilities they wish to seek valuation of. Enlistment on Panel II shall not be allowed if applicant is not enlisted on Panel I.

Panel - III

This section of the Approved List includes Valuers engaged in valuation of CURRENT ASSETS AND INVENTORIES OF RAW MATERIAL, UNFINISHED AND FINISHED GOODS AND AGRICULTURAL PRODUCE. In view of the extreme diversity in the nature of certain kinds of Commodities, member Banks shall themselves determine the suitability of the Valuer for valuation of the specific Assets they wish to seek valuation of.

3.02 GEOGRAPHICAL JURISDICTION OF VALUERS

A separate List shall periodically be made available on the website, which shall show the Valuers' Operating Jurisdiction. Operating Jurisdiction of a Valuer is the Geographical Area (defined in Annexure 2 as Segment) in which it normally operates, or in which it has established adequate setup, facilities and databank to ensure quality output.

The territory has been divided into 24 Geographical Segments (Segment 6 – Segment 30, excluding 28) as shown in Annexure 2. A Valuer may have Operating Jurisdiction in multiple Segments. A Valuer having Operating Jurisdiction in at least one third of the Segments in a Province shall qualify to have Operating Jurisdiction in the entire Province. Similarly a Valuer having Operating Jurisdiction in at least one third of the Segments in all five provinces shall qualify to have Operating Jurisdiction in the entire Country.

Valuers shall be deemed to have Operating Jurisdiction in a Segment if (1) they have an Office (owned or rented out by themselves or their Partner/Director, and not established by way of an arrangement with a third party to handle correspondence and business, and adequately staffed as specified herein below) in any of the Districts included in the Segment, or (2) if they have carried out 5 or more Valuations in the Segment during the past 12 months from the date of the Application / Annual Review. (The Valuations may be carried out in any combination of Districts included in the Segment, making a total of at least 5 Valuations in the Segment).

Valuers shall submit proof of their experience in the Geographical Segments they operate, or proof of their establishing adequate setups, facilities and databank in those Segments to qualify their name to be shown under those segments.

Specification of Geographical Segments is purely for the ease and convenience of Financial Institutions, so that they can readily identify the Valuers operating in the territory of their interest. Financial Institutions are however not bound to choose Valuers from within specified geographical segments. Any Valuer appearing on the Approved List may be selected for any specified or unspecified Geographical Sector as considered appropriate by the selecting Financial Institution, however exercising due Banking Prudence.

A separate list shall also be periodically made available on the website, listing the various Offices of the Valuers, Key Contact Persons at the Offices, telephone numbers, etc.

Only those branches shall carry out valuations which meet the following requirements:

- a. Valuations in Panel I will be carried out by only such Branches where there is at least one permanent, resident, full time Team Member (owner or employee) who is an Engineer who is a member of Pakistan Engineering Council, or an Architect or a Town Planner who is a member of Pakistan Council of Architects & Town Planners.
- b. Valuations in Panel II will be carried out by only such Branches where there is at least one permanent, resident, full time Team Member (owner or employee) who is an Engineer who is a member of Pakistan Engineering Council.
- c. Valuations in Panel III will be carried out only by such Branches where at least one permanent, resident, full time Team Member (owner or employee) is a graduate.

Valuers shall not extend Franchises to third parties. Franchises include any arrangement that a valuer may make with a third party for generating valuation business and carrying out valuations on the strength of the valuer's name, on a revenue sharing basis, wherein Valuation Reports may either be signed by the Franchisee, or by the Franchisor. Both arrangements are prohibited.

Valuers shall not operate out of residences. Proper offices shall be established for the Head Office and the Branches. Valuers currently operating from residences shall establish proper offices by 31-Dec-2013.

3.03 VALUERS' EXPERIENCE OF HANDLING COMMODITIES & CURRENT ASSETS

A separate List shall also be periodically made available on the website, to show the commodities that the Valuers' enlisted on Panel III are experienced in handling. Experience in a commodity shall be deemed if the Valuer has carried out 5 or more Valuations in the Commodity during the past 12 months from the date of the Application / Annual Review.

Commodities have been defined in Annexure 3. (This classification is in line with SBP's classification of securities for coding purposes (Code List No. 4). The list is not exhaustive, and further Commodities valued by Valuers shall also be considered.

Again, identification of Commodities is for the convenience of Financial Institutions, to enable them to readily identify the relevant Valuers. They may choose any Valuer listed on the Panel for any commodity as considered appropriate, however exercising due Banking Prudence.

3.04 MINIMUM PROFESSIONAL / EDUCATION REQUIREMENT FOR ENLISTMENT

Enlistment on PBA Panels will be allowed only if the Key Person of the Applicant Concern has at least five years' experience of carrying out valuations, either for the Banking Industry as a part of the Professional Team of an enlisted Valuer, or for clients other than the Banking Industry without being a part of an enlisted Valuer. In the latter case, the applicant shall provide documented proof of carrying out valuations.

Further requirements are as follows:

Enlistment on Panel I will be allowed only if the Key Person of the Applicant Concern is an Architect or Town Planner registered with Pakistan Council of Architects and Town Planners, or an Engineer registered with Pakistan Engineering Council. The Key Person should have at least 50% ownership of the organization.

Enlistment on Panel II will be allowed only if the Key Person of the Applicant Concern is an Engineer registered with Pakistan Engineering Council. The Key Person should have at least 50% ownership of the organization.

Enlistment on Panel III will be allowed only if the Key Person of the Applicant Concern holds a Graduate Degree. The Key Person should have at least 50% ownership of the organization.

For Valuers enlisted on all three Panels, or on Panels I & II, Key Person specifications for Panel II shall apply. For Valuers enlisted on Panels I & III, Key Person specifications for Panel I shall apply.

Only those Directors / Partners will be considered Key Persons who are involved in the valuation concern on a full time basis.

Clause 3.04 is applicable only for fresh enlistments / re-enlistments after delisting. Existing valuers shall be assessed according to the ownership requirements prevailing at the time of their enlistment.

3.05 TRANSFER OF OWNERSHIP OF VALUER CONCERN

Where the Key Person of the organization changes, enlistment on PBA Panels of Approved Professional Valuers shall be revoked. If the new management wishes to continue on the PBA Panels, it shall re-apply for enlistment, and shall be treated as a fresh applicant

3.06 LIST OF APPROVED SPECIALISTS

PBA shall maintain on the website a list of Approved Specialists (refer section 11 for details). The list shall contain following information:

- a) Industry / Commodity of Specialization
- b) Name of Specialist
- c) CNIC of Specialist
- d) Address and Contact Details of Specialist
- e) Detailed CV of the Specialist
- f) Total number of valuations in which Specialist has participated as PBA Approved Specialist
- g) Number of complaints received against the Specialist in current calendar year
- h) Cumulative number of complaints received against the Specialist over a period of five years

The list shall be updated on an ongoing basis, whenever a Specialist is listed or de-listed. Number of Valuations in which Specialist has participated, and number of complaints against the Specialist shall be updated on a monthly basis.

4.00 CODE OF CONDUCT FOR APPROVED VALUERS

- a) Approved Valuers shall conduct their business with utmost honesty, applying due Professional Diligence and undertaking all checks and controls as necessary to ensure correct and realistic valuation of Assets and state of affairs.
- b) In line with SBP directives and Prudential Regulations, Approved Valuers while assigning values to the assets already under, or proposed to be given under mortgage / pledge, shall take into account all relevant factors affecting the following (but not restricted to):
 - i) Salability of such assets including any difficulty in obtaining their possession.
 - ii) The Location and condition of such assets.
 - iii) The prevailing economic conditions in the relevant sector, business or industry.
 - iv) The realizable values of mortgaged/pledged assets so determined by the Valuers must be a reasonably good estimate of the amount that could currently be obtained by selling such assets in a forced/distressed sale condition.

- v) The Valuers should also mention in their reports the assumptions made, the calculations/ formulae/ basis used and the method adopted in determination of realizable values.
- c) Approved Valuers shall bring to the knowledge of the Client Financial Institution on a voluntary basis any circumstances or factors affecting the valuation that come to their knowledge within three months of submission of the Valuation Report.
- d) Approved Valuers shall bring to the knowledge of the Client Financial Institution any irregularities committed by the Borrower or Potential Borrower for securing the Valuation Report, that come to their knowledge, whenever they come to their knowledge, notwithstanding the time passed between their submitting the Valuation Report and coming into knowledge of the irregularities.
- e) Approved Valuers shall carry out due diligence on their employees, and on other individuals whose services they are availing for carrying out valuations or reporting thereof, to ensure that they have not been involved in professional malpractices or criminal activities.

5.00 MECHANISM FOR ENLISTMENT AND CIRCULATION OF NAMES OF ENLISTED VALUERS, AND MANAGEMENT OF ENLISTINGS

5.01 ANNOUNCEMENT OF REVISED TERMS AND CONDITIONS

PBA will keep the Approved Valuers informed of any changes in the Prudential Regulations and Terms and Conditions for enlistment of Valuers. These changes shall generally be announced on PBA's website www.pakistanbanks.org and will be advised to Valuers by email. All Valuers must advise their official email address to PBA, and notify any changes therein promptly. Failure to keep the email addresses current with PBA may result in non-receipt of vital information by the Valuers.

5.02 UNDERTAKING ENLISTMENTS ON AN ONGOING BASIS

PBA will enlist Valuers on an ongoing basis. Applicants desirous of enlistment may apply any time throughout the year. This will include fresh enlistments and enlistment of already enlisted Valuers on additional Panels. Enlistment of Fresh Applicants and enlisted Valuers on additional Panels shall generally be done on a Quarterly basis, or at longer intervals where the number of Applicants during a term do not justify a fresh enlistment on a quarterly basis.

5.03 APPLICATION PROCESS

Format of the Application is available on the PBA Website. Valuers are required to complete the form, attach requisite documents and Appendices to it, sign the Undertakings, Declarations and Certifications, and forward it to PBA at the following address, marked as:

Application Form for Enlistment of Professional Valuers

To: PAKISTAN BANKS ASSOCIATION
D-126 (Near Chinese Consulate), Block 4, Clifton,
Karachi, Pakistan

Applications received will be scrutinized by PBA in line with prevailing Terms & Conditions.

5.04 SELECTION FOR ENLISTMENT

Applications complying with stipulated terms and conditions will be accepted for enlistment. Shortfalls in Applications shall be communicated to Applicants through letter, and such communication will be dispatched by PBA promptly. Successful Applicants will be issued enlistment letters at the time of enlistment.

5.05 CIRCULATION OF THE NAMES OF APPROVED VALUERS

Fresh enlistments will be advised to Financial Institutions by PBA through Circulars by email at the time of enlistment. Complete and updated lists of valuers shall also be placed on the PBA website at www.pakistanbanks.org. The lists on the website shall not include the Recommended Limit, which shall be communicated to banks by email only.

PBA shall also confidentially circulate to Financial Institutions list of valuers on which there are no Recommended Limit restrictions, and list of valuers de-listed/blacklisted by Financial Institutions.

5.06 UNSUCCESSFUL APPLICATIONS

If Applicants are unable to remove deficiencies or to fulfill the Terms and Conditions within stipulated time, their Applications will be considered unsuccessful, till such time that they remove the deficiencies or fulfill the Terms and Conditions.

5.07 RENEWALS

Approved Valuers shall be enlisted for a period of one year, beginning January 1st and ending December 31st, renewable for every subsequent year subject to compliance of the Renewal Terms and Conditions, and subject to completion of any other requirements as communicated to Valuers.

For timely renewals, Valuers shall provide the following data to PBA on a monthly/quarterly basis, that shall be incorporated in the database as and when received.

- i) Changes in constitution of the Valuer Concern, or changes in ownership.
- ii) Particulars of new branches opened by the Valuer
- iii) Particulars of branches closed by the Valuer
- iv) Particulars of Additions to Professional Team
- v) Particulars of departures from Professional Team.
- vi) Renewals of / New Memberships / Registration Certificates of Professional Bodies of Valuing Concern / Professional Team
- vii) Particulars of Valuations carried out by the Valuer during the period, as required in the Periodic Data Submission Form.

A separate form for Periodic Data Submission is available on the website at www.pakistanbanks.org.

Requirements that are not covered in the Periodic Data Submission Form shall be communicated to Valuers two months before the end of the year, and the Valuers shall be required to complete those requirements within 30 days.

Thereafter, Valuers shall be advised their fresh scores and updated limits, and shall be required to deposit the Annual Subscription for renewal.

Valuers failing to submit Periodic Data for four consecutive months shall not be enlisted till such time that they provide the required data.

Non-submission of Periodic Data on a timely basis shall result in a penalty of one point per month of late submission (For penalty purposes, late submission will be considered on quarterly basis only. The cut-off date for submission of Quarterly Data is 20th of the month after completion of the calendar quarter). Penalty will be deducted from Weighted Average Score specified in the enlistment criteria. Refer clause 6.09 for further details.

6.00 ENLISTMENT AND ANNUAL APPRAISAL CRITERIA

Following factors will be considered for qualification of Applicants on the Approved List:

Applicant Concern's Years of Relevant Experience	10%
Geographical Diversity of Applicant's Relevant Experience	10%
Technical Diversity of Applicant's Relevant Experience	05%
Volume of Relevant Business Handled by the Applicant during last 3 years	15%
Applicant's Membership of Relevant Professional Bodies	05%
Professionally Qualified Relevant Staff Strength of Applicant	20%
Applicant's Performance Rating by Financial Institutions	35%

6.01 VALUER CONCERN'S YEARS OF EXPERIENCE (10%)

	Points
Fresh	00
Under 1 Year	01
1 Year – under 3 Years	02
3 Years – under 6 Years	04
6 Years – under 10 Years	06
10 Years – under 20 Years	08
20 Years or above	10

6.02 GEOGRAPHICAL DIVERSITY OF VALUER (10%)

	Points
Applicants operating in some segments of 1 Province or AJK	02
Applicants operating in an entire Province or AJK	04
Applicants operating in 2 Provinces including AJK	06
Applicants operating in 3 or 4 Provinces including AJK	08
Applicants operating throughout Pakistan and AJK	10

Please refer Section 3.02 of the Guidelines for further details.

6.03 TECHNICAL DIVERSITY OF VALUER (5%)

Section A – Valuation of Current Assets including Stocks & Inventories

	Points
Applicants specializing in 1 commodity	02
Applicants specializing in 2 commodities	03
Applicants specializing in 3 or 4 commodities	04
Applicants specializing in 5 or more commodities	05

Please refer Section 3.03 of the Guidelines for further details.

Section B – Valuation of Fixed Assets

	Points
Agricultural Land & related infrastructure only	02
Commercial & Residential Land and Commercial (other than Industrial) & Residential Construction & Buildings only	02
Industrial Plants & Machinery only	03
Combination of 1 st two above	03
Combination of one of the 1 st two with 3 rd	04
Combination of all 3	05

Agricultural Land & related infrastructure is termed as Asset Class A. Commercial & Residential Land and Construction is termed as Asset Class B. Industrial Plant & Machinery is termed as Asset Class C.

Candidates having carried out 5 valuations in any Asset Class the last 12 months from the date of Application / Annual Review shall be considered as having experience in that field.

Valuers / Applicants employing the services of Staff / Professionals who have carried out 12 valuations in any field specified in Section A or B above during the last twelve months from the date of submitting the Application under the revised enlistment criteria shall also be considered as experienced in that field.

Points earned by Valuers in both Sections will be aggregated, and limited to a maximum of 5 points.

Valuers who have not carried out 5 Valuations of any commodity or Asset Class shall be awarded 2 points if they have competent Professional Team capable of carrying out Valuations in any particular Asset Class or Commodity. (These points will be granted only if the Valuer has the required expertise, but is getting zero aggregate points on account of not having carried out the required number of Valuation Reports).

6.04 BUSINESS VOLUME HANDLED BY VALUER IN LAST 3 YEARS (15%)

Valuation Size (in Rs):	Points		
	(upto 1m)	(1m - 10m)	(over10m)
Up to 05 valuations per year	01.00	03.00	05.00
Between 06 – 20 valuations per year	03.00	05.00	07.50
Between 21 – 40 valuations per year	05.00	07.00	10.00
Between 41 – 60 valuations per year	07.00	09.00	12.50
Above 60 valuations per year	09.00	12.00	15.00

Scores shall be calculated for each year separately, and highest score gained within the three years shall be considered.

6.05 MEMBERSHIP / REGISTRATION OF PROFESSIONAL BODIES (05%)

2.5 points for Membership / Registration of each of the following Professional Bodies, maximum 5 points.

- Membership of Pakistan Engineering Council
- Membership of Pakistan Council of Architects & Town Planners
- Insurance Survey Licenses of Securities & Exchange Commission of Pakistan
- Royal Institute of Chartered Surveyors - UK

Registrations and the memberships must be valid at all times. Membership of Pakistan Engineering Council, either of the Applicant Concern, it's owners, or any of it's permanent employees is mandatory for enlistment on Panel II and valuation of Plant & Machinery, Infra-structural Constructions and Buildings.

Members of Royal Institute of Chartered Surveyors (U.K) shall deem to have met the minimum Weighted Average Requirement for enlistment on the PBA Panels of Approved Professional Valuers.

6.06 APPLICANTS' PROFESSIONALLY QUALIFIED STAFF STRENGTH (20%)

Maximum 20 points, to be aggregated on the following basis:

	Points
Each Professionally Qualified Valuer with over 2 years' experience	01.25
Each Professionally Qualified Valuer with over 5 years' experience	02.50
Each Non Degree Holding Valuer with over 5 years' experience	01.25
Each Non Degree Holding Valuer with over 10 years' experience	02.50

Valuers shall ensure that the Lead Surveyors for all surveys possess the qualifications and technical experience necessary for surveying the concerned assets.

All Valuations must be signed by Professionally Qualified Valuers. Professional Qualification means a minimum of Graduate Degree in relevant field/science.

Associates may be used for valuations of Asset Class C only. Associates will not be awarded any points in calculation of Weighted Average Score.

Payment of salary to staff that is part of the Professional Team must be made through Bank Accounts.

Professional Team should be paid competitive salary package commensurate with their qualification and experience. PBA reserves the right not to consider members of the Professional Team whose salaries are not competitive or adequate.

Wherever required, PBA shall call the members of the Valuer's Professional Team for verification purposes. Traveling expenses of the Professional Team shall be met by the Valuer.

PBA may also verify the authenticity of the reported Professional Team through Verification Agencies.

6.07 VALUERS' PERFORMANCE RATING BY FINANCIAL INSTITUTIONS (35%)

Maximum 35 points will be awarded for Performance Ratings received from Financial Institutions listed in Annexure 4. Points will be awarded on a weighted average basis, for the number of valuations reported by the financial institutions in each of the following categories, as per corresponding weightage:

Category	Weightage
Very Good Experience	1.50
Good Experience	1.00
Average Experience	0.50
No Experience or No Response	0.00
Bad Experience	(1.50)

PBA shall seek Performance Ratings directly from Banks / Financial Institutions at the time of Annual Reviews. Refer clause 7.04 below.

Performance Ratings shall be kept confidential from Valuers.

6.08 VALUERS TAKEN OUT OF PANELS BY BANKS/FINANCIAL INSTITUTION ON PERFORMANCE ISSUES

10 points will be deducted from Valuers' Weighted Average Scores for each Bank / Financial Institution that has taken them out of their panels on account of irregularities / incorrect reports. Under this criterion, scores may be deducted and Recommended Limits may be revised on an interim basis also, when the next round of quarterly enlistments are announced. This section will

also apply on de-listings by those Financial Institutions that do not come under the jurisdiction of SBP.

6.09 LATE SUBMISSION OF PERIODIC DATA

Last dates for submission of Quarterly Periodic Data are: 15 April, 15 July, 15 October, and 15 January of each year. By these dates, the Periodic Data for the previous calendar quarter must reach PBA. If the Periodic Data does not reach PBA by 20 April, 20 July, 20 October and 20 January, or the next working day if 20th is a holiday, 1 Point will be deducted from the score of the valuers, for each month the data is delayed

6.10 MINIMUM ELIGIBILITY CRITERIA AND THE WEIGHTED AVERAGE SCORE.

- a) Weighted Average Score Requirement (WAR) for Registration on a Panel is 40.
- b) The Weighted Average Score (WAS) derived from Minimum Eligibility Criteria would determine the enlistment in the relevant Panel(s), in the relevant Segment(s).
- c) If the WAS at any point in time falls below than the requirement for a Panel, the applicant would be de-listed from that Panel. This would normally (but not necessarily) be determined at the time of fresh enlistment and on Annual Renewals.
- d) PBA recommends the aggregate value of the assets (of a borrower), up to which the Valuation Reports prepared by a Valuer may be accepted by Banks / Financial Institutions. These recommendations are based upon the WAS of the Valuer. Financial Institutions should discourage acceptance of Valuations where the prescribed aggregate assets (of a borrower) are more than the Valuer's Recommended Limit. Financial Institutions may allow up to a 10% relaxation in the Recommended Limit.

<u>Valuation Band</u>	<u>WAR</u>
Up to Rs. 120m	40
Up to Rs. 240m	45
Up to Rs. 720m	50
Up to Rs. 1,200m	60
Up to Rs. 2,400m	70
Any Amount	80

- e) In order to keep a margin for fresh entrants in the business, during their first year of operation Valuers shall qualify at 33% of the normal WAR, and during their second year of operation at 67% of the normal WAR. At the same time, their Valuation Bands shall also stand reduced to 33% of the normal Valuation Bands during the first year of operation, and to 67% during the second year of operation. For example, during the first year of operation Valuers shall qualify at a minimum WAS of 13, at which level their Valuation Band shall be up to Rs. 40m, and at a WAS of 15 their Valuation Band shall be up to Rs. 80m, and so on so forth. In the second year of operation, they shall qualify for valuations at a minimum WAS of 27, at which level their Valuation Band shall be up to Rs.80m, and at a WAS of 30 their Valuation Band shall be up to Rs.160m, and so on so forth. From third year of operation onwards, Valuers shall be assessed at the normal WAR.

Notes on clause 6.09 (e):

1. This relaxation shall not be available to Valuers already enlisted for more than two years.
2. The relaxation shall not apply to Fresh Valuers whose Weighted Average Score

qualifies them for higher limits than those given to Valuers on concessional basis.

3. Valuers given the relaxation shall get 0 points for criterion 6.01 in the first year of enlistment, and 1 or 2 points, depending on the quarter of their enlistment in the second year of enlistment. They shall be accredited for their total number of years' experience third year onwards.

f) Where a Valuer fails to qualify for re-enlistment on account of lack of business, but there has been no negative report against him from any bank / financial institution for the past three years, and he has not been de-listed by any bank / financial institution for the past three years on performance issues, he shall continue to be re-enlisted on PBA Panels on the initial Valuation Band.

6.11 MISREPORTING / MISSTATEMENT OF DATA / PARTICULARS BY VALUERS

If the data or particulars reported by any Valuer to PBA for enlistment, or for Annual Review (through Periodic Data or year-end reporting etc.) are found incorrect, the Recommended Limit for the Valuer shall be brought down by one level (from the level merited by the Valuer on the basis of correct data/particulars of the organization) for the remaining part of the current term, and also for the entire next two terms. If there is any subsequent misreporting / misstatement of data, the Recommended Limit shall be brought further down by one level, for the remainder of the term plus next two terms. The process will be repeated for each successive misreporting / misstatement.

7.00 ROLE OF FINANCIAL INSTITUTIONS

7.01 REFERRALS AND ENQUIRIES

Financial Institutions may at their own discretion, at any time make referrals/inquiries to verify the track record, creditworthiness, integrity, reputation and / or the conduct of any of the Enlisted Valuers, using their own means and resources.

7.02 APPOINTMENT OF VALUERS

The option of appointing the Valuer from the Approved List shall be the sole discretion of the Financial Institutions.

7.03 REPORTING OF VALUERS TAKEN OUT OF THEIR PANELS BY BANKS ON PERFORMANCE ISSUES

Banks / Financial Institution shall report to PBA the names of Valuers on the PBA Panels that they have removed from their Panels on performance issues. PBA shall deduct 10 points from the score of the Valuer, as detailed in Clause 6.08 above, and confidentially report the name of the Valuer to all Banks / Financial Institutions for information.

Banks / Financial Institutions shall also report to PBA on a timely basis any incident of fraud / forgery / misconduct / misrepresentation / incompetence / violation of SBP regulations committed or conducted by the Valuers that have come to their knowledge / attention. PBA shall also confidentially communicate such incidences to all Banks / Financial Institutions for information.

7.04 PERFORMANCE RATINGS OF VALUERS

Every year, in the last quarter of the year, PBA will seek Performance Ratings of valuers enlisted on its Panels, from the banking industry. PBA will circulate by email the Performance Rating Performa to the CEOs of all banks in Pakistan, which will be completed by the banks and returned to PBA within 30 days.

7.05 PERIODIC DATA OF VALUERS

PBA will circulate to the banking industry pertinent entries in the Periodic Data reported by the valuers to PBA. Banks will review the data on a test check basis (at least 5%), and report to PBA any misreporting by the valuers. Misreporting will include reports with incorrect details in the Periodic Data, (like material difference in name of client, value of asset, geographical segment, asset class, names of signatories to the report, etc.), and reports that have been omitted from the Periodic Data. Based on the Banks' reporting, PBA will penalize the valuers as per clause 6.11 of the Guidelines.

8.00 FEE STRUCTURE

8.01 TYPES OF FEE

Following types of Fee shall be applicable on Approved Valuers

- i) Processing Fee – For Processing of Fresh Applications. This Fee is non-refundable whether the application is Accepted or Rejected.
- ii) Annual Subscription – Annual Subscription is payable for the first time prior to enlistment, and thereafter each year at the time of Annual Reviews. In both cases, the subscription is payable when demanded by PBA.

8.02 FEE STRUCTURE

The Fee Structure is applicable on a Per Panel Basis, and is payable for each of the three Panels separately.

Processing Fee	Rs. 5,000 per panel
Annual Subscription	Rs.12,000 per panel

Notes

- a) Default of Payment of Fee : Default of payment over 60 days would result in de-listing the applicant's name from the concerned Panel.
- b) Mode of Payment of Fee : All fees are payable as required, only through crossed Payment Orders in the name of 'Pakistan Banks' Association'. Valuers operating outside Karachi would pay fees through Bank Drafts drawn at Karachi.
- c) De-listed Valuers : If, at the time of delisting any Valuer, more than six months remain in the expiry of the Annual Subscription, PBA shall refund 50% of the Annual Subscription. The refund shall be made within one month of delisting..
- d) Revision in Fee: The fee may be revised by PBA at its sole discretion.
- e) Coverage of Annual Subscription : Applicants seeking fresh enlistment before or on 30th June of a calendar year shall pay full years' Annual Subscription. Applicants seeking enlistment after 30th June shall pay 50% of the Annual Subscription. Processing Fee shall remain unchanged.

9.0 DELISTING AND RE-ENLISTMENT OF VALUERS

Valuers may be de-listed for any of the reasons specified in Annexure 1. Procedure for re-enlistment is also specified in the Annexure.

10.0 MINIMUM VALUATION STANDARDS

Unless specifically expressed otherwise by the Financial Institution in writing, the Minimum Valuation Standards specified in Annexure V shall apply to the Valuations carried out by the valuers for the banking industry.

The Minimum Valuation Standards specified in these Guidelines do not in any manner whatsoever dispense with 1) any other / further requirements laid down by any other document/directives applying to valuations, or 2) any prudential practices traditionally followed by Valuers for carrying out Valuations and presenting Valuation Reports, unless such documents/directives/practices are contradictory to the Minimum Valuation Standards specified herein, in which case Valuers shall specify the contradiction in the valuation report, and follow the course of action that most protects the interest of the lending Financial Institution.

11.0 INDUSTRY SPECIALISTS / COMMODITY SPECIALISTS

PBA shall maintain a Panel of Industry Specialists and Commodity Specialists (“Specialists”) to facilitate professional valuation of industries/commodities.

Particulars of this Panel shall be as follows:

- 1) Only individuals may apply for enlistment under this panel. Business entities shall not be enlisted.
- 2) 10 years concentrated direct work experience in a particular industry or a particular commodity are a must for enlistment.
- 3) PBA shall publish detailed CVs/Experience History of the Specialists on the PBA website.
- 4) Specialists may not carry out valuations independently. They may be used by enlisted valuers for carrying out valuations in industries/commodities of their specialty.
- 5) Specialists’ remuneration and settlement thereof shall be decided and settled by the deploying Professional Valuer. Specialists’ remuneration shall not be paid by the customer or the Financial Institution.
- 6) Basic responsibility for correctness of the valuation report shall remain that of the deploying Professional Valuer. The nature of the Specialist’s involvement in the valuation shall be that of a consultant.
- 7) The Specialist shall sign the valuation report for the portion of valuation done by him, and will specifically agree or disagree with the value assigned to the portion of valuation done by him. Reasons for disagreement shall be mentioned in the report.
- 8) It is not mandatory for Professional Valuers to use Specialists. However, if Specialists are used, their names shall be mentioned in the Valuation Report as ‘Industry Specialist’ or ‘Commodity Specialist’.
- 9) Enlisted Specialists shall submit to PBA a list of all valuations in which they have been involved on a quarterly basis, by the 15th of the month following the calendar quarter, on the Performa available on the PBA website.
- 10) Enlistment of Specialists shall be on an ongoing basis, and their names shall be shown on the PBA website along with their industry / commodity of specialization. Specialists shall apply for enlistment on the “INDUSTRY / COMMODITY SPECIALISTS APPLICATION FORM” available on the PBA website.
- 11) Processing Fee for enlistment as Specialists shall be Rs.5,000/= per industry / commodity.
- 12) Annual Subscription for enlistment of Specialists shall be Rs.7,500/= per industry / commodity. For enlistments after June 30 of any year, 50% of the annual subscription shall be recovered.
- 13) Professional Valuers & Financial Institutions shall promptly report to PBA any incorrect valuations done by any Specialist. PBA shall specify the number of complaints received from the Professional Valuers / Financial Institutions against the Specialist on the PBA website.

- 14) Specialists shall be de-listed if 3 or more complaints are received against them during a calendar year, or if cumulative complaints against them exceed 9, over a period of five years. Re-enlistment will be allowed only if sufficient number of complaints are proven ill-founded to bring the remaining complaints within permitted limits.

ANNEXURE 1

DELISTING AND RE-ENLISTMENT OF VALUERS

A. FACTORS LEADING TO DELISTING APPROVED VALUERS

An Approved Valuer would be de-listed under the following circumstances:

- i) Upon providing incorrect / misleading information or using unfair means for getting enlisted.
- ii) Upon Non-compliance within stipulated time-frame of any terms and conditions applied to / imposed on Approved Valuers by SBP or by PBA, or upon failing to provide any undertaking required by SBP or PBA for ensuring compliance of all rules and regulations by the Approved Valuers.
- iii) Suspension / Cancellation / Expiry of membership / registration of PEC or any other Professional Body / Authority, membership of which is considered necessary by PBA for the type of Valuations conducted by the Valuer.
- iv) Upon falling short of the Minimum Eligibility Criteria.
- v) Upon change in the circumstances or the constitution of the Valuer in view of which PBA considers it necessary to remove the Valuer from the Approved List till completion of any additional formalities or submission of any additional documents or returns.
- vi) Upon conviction by any Government Agency including FIA / NAB for involvement in corruption,
- vii) Upon receipt of information of a valuer being defaulter of a bank / financial institution / insurance company / government/semi-government body / income tax department / central excise & sales tax department or any other similar body, and that default resulting in initiation of legal action by the concern.
- vii) Upon default of Payment of Annual Subscription Fee beyond 60 days.
- viii) Upon failing to provide Periodic Data for four consecutive months.
- ix) Violation of the code of conduct of Professional Valuers
- x) Any other acts, events, or circumstances in view of which PBA considers it necessary to remove the Valuer from the Approved List.

Note

Conditions leading to de-listing of Valuers from one Panel may not necessarily result in their de-listing from other Panels.

B. PROCEDURE FOR RE-ENLISTMENT OF DELISTED VALUERS

- i) De-listed Valuers shall qualify for re-enlistment whenever the situation resulting into their De-listing has been addressed and cleared by them.
- ii) Re-enlistment process shall be initiated when the Valuer applies for re-enlistment certifying that the situation resulting into its De-listing has been adequately addressed.
- iii) If the De-listing was on account of failure to comply with prevailing rules and regulations or failure to provide a Certificate to the effect, the Valuer shall qualify for re-enlistment upon coming in compliance with the concerned rules and regulations, and upon providing a Certificate to the effect.
- iv) If the De-listing was on account of suspension or cancellation of membership of a professional association, the Valuer shall qualify for re-enlistment upon restoration of the membership.
- v) If the De-listing was on account of conviction for involvement in corruption, the Valuer shall qualify for re-enlistment upon being exonerated from the offence by a competent authority.
- vi) If the De-listing was on account of the Valuer's Default situation resulting in litigation, it shall qualify for re-enlistment upon its being absolved from litigation, and upon production of a Certificate for Clearance of Dues or Absolution
- vi) If the De-listing was on account of the Valuer defaulting on PBA dues, it shall qualify for re-enlistment upon clearance of dues as per guidelines. In this case, however, the Valuer shall not have to apply for re-enlistment, which shall be automatically initiated by PBA.
- vii) If the De-listing was on account of the Valuer failing to provide Periodic Data for four consecutive months, upon provision of required data.
- viii) If De-listing was because of violation of the Professional Valuers' Code of Conduct, upon taking adequate measures, to PBA's satisfaction that the Code of Conduct will not be violated again.

ANNEXURE 2

Segment	Coverage
1	Entire Pakistan
2	Entire Baluchistan Province
3	Entire Sindh Province
4	Entire Punjab Province
5	Entire Khyber Pakhtunkhwa
31	Entire Gilgit Baltistan
6	Awaran District in Baluchistan
6	Gwadar District in Baluchistan
6	Kech District in Baluchistan
6	Lasbela District in Baluchistan
6	Panjgur District in Baluchistan
7	Chaghai District in Baluchistan
7	Kalat District in Baluchistan
7	Kharan District in Baluchistan
7	Khuzdar District in Baluchistan
7	Mastung District in Baluchistan
7	Nushki District in Baluchistan
7	Washuk District in Baluchistan
8	Quetta District in Baluchistan
9	Barkhan District in Baluchistan
9	Bolan District in Baluchistan
9	Dera Bugti District in Baluchistan
9	Jaffarabad District in Baluchistan
9	Jhal Magsi District in Baluchistan
9	Kohlu District in Baluchistan
9	Nasirabad District in Baluchistan
9	Sibi District in Baluchistan
10	Harnai District in Baluchistan
10	Loralai District in Baluchistan
10	Musakhel District in Baluchistan
10	Pishin District in Baluchistan
10	Qila Abdullah District in Baluchistan
10	Qila Saifullah District in Baluchistan

10	Sherani District in Baluchistan
10	Zhob District in Baluchistan
10	Ziarat District in Baluchistan
11	Karachi Districts in Sindh
12	Hyderabad District in Sindh
12	Jamshoro District in Sindh
13	Badin District in Sindh
13	Mirpurkhas District in Sindh
13	Tando Allayar District in Sindh
13	Tando Muhammad Khan District in Sindh
13	Tharparkar District in Sindh
13	Thatta District in Sindh
13	Umarkot District in Sindh
14	Benazirabad (Nawabshah) District in Sindh
14	Dadu District in Sindh
14	Matiari District in Sindh
14	Nausharo Firoz District in Sindh
14	Sanghar District in Sindh
15	Ghotki District in Sindh
15	Jacobabad District in Sindh
15	Kambar Shahdadkot District in Sindh
15	Kashmore District in Sindh
15	Khairpur District in Sindh
15	Larkana District in Sindh
15	Shikarpur District in Sindh
15	Sukkur District in Sindh
16	Dera Ghazi Khan District in Punjab
16	Muzaffargarh District in Punjab
16	Rahimyar Khan District in Punjab
16	Rajanpur District in Punjab
17	Bahawal Nagar District in Punjab
17	Bahawalpur District in Punjab
17	Lodhran District in Punjab
17	Vihari District in Punjab
18	Multan District in Punjab
19	Chiniot District in Punjab
19	Faisalabad District in Punjab
19	Jhang District in Punjab

19	Khanewal District in Punjab
19	Okara District in Punjab
19	Pakpattan District in Punjab
19	Sahiwal District in Punjab
19	Toba Tek Singh District in Punjab
20	Bhakkar District in Punjab
20	Khushab District in Punjab
20	Leiah District in Punjab
20	Mianwali District in Punjab
21	Kasur District in Punjab
21	Lahore District in Punjab
21	Sheikhupura District in Punjab
22	Gujaranwalla District in Punjab
22	Gujrat District in Punjab
22	Hafizabad District in Punjab
22	Mandi Bahauddin District in Punjab
22	Nankana Sahib District in Punjab
22	Narowal District in Punjab
22	Sargodha District in Punjab
22	Sialkot District in Punjab
23	Attock District in Punjab
23	Chakwal District in Punjab
23	Jhelum District in Punjab
23	Rawalpindi District in Punjab
23	Islamabad & Federal District Areas
24	Bannu District in Khyber Pakhtunkhwa
24	Dera Ismail Khan District in Khyber Pakhtunkhwa
24	Hangu District in Khyber Pakhtunkhwa
24	Karak District in Khyber Pakhtunkhwa
24	Kohat District in Khyber Pakhtunkhwa
24	Lakki Marwat District in Khyber Pakhtunkhwa
24	Tank District in Khyber Pakhtunkhwa
24	Kurram Agency in Khyber Pakhtunkhwa
24	North Waziristan Agency in Khyber Pakhtunkhwa
24	Orakzai Agency in Khyber Pakhtunkhwa
24	South Waziristan Agency in Khyber Pakhtunkhwa
24	Tribal Areas adjoining Bannu
24	Tribal Areas adjoining Dera Ismail Khan
24	Tribal Areas adjoining Kohat
24	Tribal Areas adjoining Lakki Marwat
24	Tribal Areas adjoining Tank

25	Charsadda District in Khyber Pakhtunkhwa
25	Nowshera District in Khyber Pakhtunkhwa
25	Peshawar District in Khyber Pakhtunkhwa
25	Bajaur Agency in Khyber Pakhtunkhwa
25	Khyber Agency in Khyber Pakhtunkhwa
25	Mohmand Agency in Khyber Pakhtunkhwa
25	Tribal Areas adjoining Peshawar
26	Buner District in Khyber Pakhtunkhwa
26	Chitral District in Khyber Pakhtunkhwa
26	Lower Dir District in Khyber Pakhtunkhwa
26	Malakand District in Khyber Pakhtunkhwa
26	Mardan District in Khyber Pakhtunkhwa
26	Shangla District in Khyber Pakhtunkhwa
26	Swat District in Khyber Pakhtunkhwa
26	Tor Ghar District in Khyber Pakhtunkhwa
26	Upper Dir District in Khyber Pakhtunkhwa
27	Abbottabad District in Khyber Pakhtunkhwa
27	Batgram District in Khyber Pakhtunkhwa
27	Haripur District in Khyber Pakhtunkhwa
27	Kohistan District in Khyber Pakhtunkhwa
27	Mansehra District in Khyber Pakhtunkhwa
27	Swabi District in Khyber Pakhtunkhwa
29	Bagh, AJK
29	Bhimber, AJK
29	Hattian, AJK
29	Haveli, AJK
29	Kotli, AJK
29	Mirpur, AJK
29	Muzaffarabad, AJK
29	Neelum, AJK
29	Poonch, AJK
29	Sudhnati, AJK
30	Astore District in Gilgit Baltistan
30	Diamer District in Gilgit Baltistan
30	Ghanche District in Gilgit Baltistan
30	Ghizir District in Gilgit Baltistan
30	Gilgit District in Gilgit Baltistan
30	Hunza Nagar District in Gilgit Baltistan
30	Skardu District in Gilgit Baltistan

ANNEXURE 3

Commodity	Description of Commodity
Code	
1 a	Gold, Bullion, Gold & Silver Ornaments & Precious Metals & Stones
	<u>Food Items</u>
2 a	Wheat
2 b	Rice & Paddy
2 c	Tobacco
2 d	Fish & Fish Products
2 e	Edible Oils, Beverages & other liquid Food items in Bulk or packed state
2 f	Other Food Items
	<u>Raw Materials</u>
3 a	Cotton – Raw & Phutti
3 b	Synthetic Fibres
3 c	Petroleum Crude & Refined
3 d	Petroleum Products
3 e	Iron & Steel, and other Metals
3 f	Timber & Wood
3 g	Hides & Skins
3 h	Oil Seeds
3 I	Pesticides & Insecticides & Fertilizers
3 j	Other Raw Materials
3 k	Sugarcane
	<u>Finished / Semi-finished Goods</u>
4 a	Cotton & Other Textiles
4 b	Cotton Yarn
4 c	Machinery
4 d	Carpets & Rugs
4 e	Chemicals & Dyes & Pharmaceutical Products
4 f	Other Finished Goods
4 g	Commercial & Transport Vehicles
4 h	Unrefined and Refined Sugar

ANNEXURE 4

Name of Financial Institution
AlBaraka Bank (Pakistan) Limited
Allied Bank Limited
APNA Micro Finance Bank Limited
Askari Bank Limited
Bank AL Habib Limited
Bank Alfalah Limited
Bank of Tokyo Mitsubishi UFJ Limited, Pakistan
BankIslami Pakistan Limited
Barclays Bank PLC, Pakistan
Burj Bank Limited
Citibank N.A.
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
House Building Finance Company Limited
HSBC Bank Middle East Limited
HSBC Bank Oman S.O.A.G.
Industrial and Commercial Bank of China Limited
Industrial Development Bank Limited
JS Bank Limited
KASB Bank Limited
KASHF Microfinance Bank Limited
Khushhali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Investment Trust Limited (Not included in SBP list)
NIB Bank Limited
NRSP Microfinance Bank Limited
PAIR Investment Company Limited
Pak Brunei investment Company Limited
Pak Kuwait Investment Company (Pvt.) Limited

Pak Libya Holding Company (Pvt.) Limited
Pak Oman Investment Company Limited
Pak Oman Microfinance Bank Limited
Pak-China Investment Company Limited
Rozgar Micro Finance Bank Limited
Samba Bank Limited
Saudi Pak Industrial & Agricultural Investment Company (Pvt.) Limited
Silkbank Limited
Sindh Bank Limited
SME Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
Tameer Micro Finance Bank Limited
The Bank of Khyber
The Bank of Punjab
The First MicroFinanceBank Limited Pakistan
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Waseela Microfinance Bank Limited
Zarai Taraqiati Bank Limited

ANNEXURE 5

MINIMUM VALUATION STANDARDS

SECTION A – SUBMISSION OF REPORTS

- 01 Valuation Reports shall be submitted by the valuers to banks directly, and not through borrowers/customers.

SECTION B – PREPARATION OF REPORTS

- 02 Names of all persons involved in valuation shall be included in the report. Their role in the valuation shall also be specified in the report. Specific assets inspected by them shall be identified.
- 03 Valuation Reports shall be signed by Authorized Signatories whose names are to be advised to Banks / Financial Institutions in advance. Authorized Signatories shall be senior persons of the valuer concern, holding positions of responsibility.
- 04 All pages of the valuation report will be dated and numbered and signed in full by the Authorized Signatories of the valuer concern.

SECTION C – REPORTING PREMISES

- 05 Means of identification of the asset shall be clearly specified.
- 06 Means of assessment of current market value of assets shall be specified, along with the methodology and approach used.
- 07 Visible factors impairing salability of the asset shall be specified. These shall include ownership factors, geographical factors, territorial political factors and territorial law and order situation.
- 08 Report shall comment on the market demand of the asset. If the market demand is not assessable, it shall be mentioned in the report.
- 09 Report shall clearly specify whether or not ownership of the asset has been verified.
- 10 Report shall specify all assumptions made that materially affect the valued amounts or salability of assets.

SECTION D – QUANTIFICATION & IDENTIFICATION

- 11 Site Plan, along with dimensions and access path(s) should be included in the report. Where Site Plan / approved map is not available, a sketch (to scale) should be prepared by the valuer.
- 12 Dated labeled Photographs of asset shall be included in the report. Valuers should also be visible in these photographs. Where appropriate, Google maps printouts of the location must also be included.

- a. Constructed commercial / residential properties: Photographs of both, exterior and interior should be included.

- b. Buildings/Complexes: Photograph of the full façade of the project should be included. Photographs of constructed facilities should be included. Photographs of interior of at least one apartment / shop of each category should be included.

- c. Open Land/Plots/Agricultural Land:
 - i. Where open land is bordered by constructed properties on one or more sides, photograph of land should clearly show adjoining properties.

 - ii. Where open land is bordered by open land on all three sides (front being on the road, constructed or otherwise) or four sides, a panoramic view of the land should be included, showing nearest constructed structure, if it is possible to include it in the photograph. Demarcation, if correctly possible, should be visible in the photograph.

- d. Industrial Plants:
 - i. A panoramic view of the entire plant, if possible shall be photographed. If the panoramic view is not possible in one photograph, a set of photographs with overlapping areas to build the panoramic view shall be included.

 - ii. At least one photograph of exterior of each constructed unit within the complex will be included.

 - iii. Photographs of all machinery/installations valuing 5% or more of the total value of the plant will be included.

- e. Extended Projects (such as roads, pipelines, cable networks, etc.): Photographs of representative sections shall be included.

- f. Mining Projects: Landscape photographs shall be included.

13 Physical possession status of properties shall be specified in the report

ERRATUM

1. Clause 6.09 – September replaced with October