

## **Proposed Procedure of appointing of Motor Vehicle Valuers**

### **a) Calling of Applications**

- a) Motor Valuers will be appointed bi-annually in January and June every year.
- b) Paper advertisements will be published in Daily News, Lankadeepa and Virakesari in November and April.
- c) Respective application can be downloaded from the Leasing Association of Sri Lanka website i.e. [www.lasl.lk](http://www.lasl.lk)

### **b) Eligible Criteria to become a motor valuer of LASL**

- a) A Member of the Institute of Automotive Engineers of Sri Lanka (IAESL) who possess one of the following qualifications or any other qualification acceptable to IAESL.
  - i. BSc Mechanical or Automobile Engineering from a recognized University
  - ii. Associate Membership of IAE (Institute of Auto Engineers of Sri Lanka)
  - iii. NDT in Automobile, HNDE in Automobile, TTI in Automobile, HARDY in Automobile.
  - iv. CGTTI (Ceylon German Technical Training Institute)
  - v. Automobile Engineering Training Institute, Orugodawatta, (JapanTech)
  - vi. MIMI (UK), NAITA, City & Guilds, NCT in Automobile

#### **with**

Three year's training under the qualified practicing valuer.

- b) The current Registered Valuers of LASL who are Registered Motor Garages possess over 5 years' experience in valuation and over 10 years in motor engineering However, the current valuer possess less than 5 years experience will be allowed to continue at the desecration of the committee.

(Apart from the above technical requirement physical ability would also considered at the time of renewal)

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### c) Selection Process

The applicants who qualify the above criterion will be interviewed by the committee comprising of the following members:

- i. President or nominee of the Institute of Automotive Engineers of Sri Lanka (IAESL).
- ii. Four representatives from LASL covering Banks, SLCs and RFCs.

(LASL members' complaints about existing Valuers will be forwarded to the selection committee prior to interviewing.) The selection will be based on following criteria.

- i. Qualifications
- ii. Experience
- iii. Professional conduct and judgement
- iv. Integrity
- v. Contribution towards developing professional Motor Valuers

### d) Appointing Valuers

On meeting above criterion the applicants are eligible to register as a members of LASL subject to payment of registration fees of Rs.10,000/= and annual subscription fee of Rs.15,000/= which should be paid before January 31<sup>st</sup>. One month grace period will be allowed.

### e) Responsibility of LASL

- i. Conduct two sessions for Valuers bi-annually basis to update their knowledge, discuss issues and provide opportunity for two-way communication.
- ii. Ensuring equitable and professional judgement while selecting and banning Valuers.
- iii. Disseminate information about new developments in vehicle values, risks, etc. to members consulting professional Valuers.
- iv. Initiate timely action to ban the unprofessional Valuers to safeguard stakeholder's interests.
- v. Develop a Code of Conduct for Valuers and closely monitor with the support of LASL members and IAESL.
- vi. Renew Valuers registration annually with under the strict guidelines.( Renewal will be automatic unless there is a complaint)
- vii. Eliminate registering unqualified Valuers in future and encourage professional Valuers to register with LASL.

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- viii. Publish baseline values for all motor vehicles available in Sri Lanka bi-annually with the support of professional Valuers for which a suitably qualified Committee will be appointed and reviewed annually facilitating all stakeholders to take fair judgement minimizing the risk.
- ix. Standard valuation report format to suit the requirements of all the members of LASL.

### f) Banning of Valuers

1. Due to non-compliance of code of conduct and providing inappropriate valuations without professional due care or due to negligence.
2. Due to non-payment of registration fees within the stipulated period.
3. On receipt of a complaint against the same valuer, the complaints will be forwarded to the selection committee for their judgement and if necessary the valuer will be given an opportunity explain his case. The committee will take a decision to cancel the Valuer's membership with LASL.

The Committee decision would be the final and appeals would not be entertained to safeguard the interest of the public funds used by member firms.

### Code of Conduct and ethics

1. A profession requires the acceptance of a responsibility to act in the public interest. A Professional Valuer's responsibility is not only to the client or employer but also to the public interest.
  - a. **Integrity:** to be straight-forward and honest in professional and business relationships.
  - b. **Objectivity:** not to allow conflict of interest, or undue influence or bias to override professional or business judgment.
  - c. **Professional Competence and Due Care:** to maintain the professional knowledge and skill required to ensure that a client or employer receives competent services based on current developments in practice, legislation, and techniques; to act diligently and in accordance with applicable technical and professional standards.
  - d. **Confidentiality:** to respect the confidentiality of information acquired as a result of professional and

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business relationships and not to disclose such information to third parties without proper and specific authority (unless there is a legal or professional right or duty to disclose), nor to use information for the personal advantage of a Professional Valuer or third parties.

- e. **Professional Behaviour:** to comply with relevant laws and regulations and to avoid any action that discredits the profession. Conflict among valuers should be resolved through LASL.

### **2. Professional Motor Vehicle/Non Motorable/Equipments valuer should be competent with following:**

- a. Should have a sound knowledge to identify Makes, Models, Specifications and Categories of Vehicles
- b. Should have a good knowledge in appraising mechanical, body work, internal trim, hydraulic and electronic & electrical units.
- c. Should have exceptional knowledge in identifying Chassis & Engine numbers (especially Tampered Chassis Numbers). And they should clearly mention.
- d. Should have a good knowledge in current market prices of used/unregistered/brand new vehicles.
- e. Should have knowledge to access the Serviceable life time of the vehicles.
- f. Should possess a knowledge about availability 3 S(Sales/Service/Spareparts) and reliability of local agent and manufacturer of the vehicles.
- g. Identifying & assessing all related import & RMV documents.

**3.** All Valuers should maintain record about the valuations provided and basis of valuation assessed.

**4.** If a supplier or prospective client influenced to inflate the value it should be communicated to the respective LASL member organisation and the LASL with following details:

- a. Vehicle No. and Model
- b. Prospective client's name
- c. Supplier's Name

**5.** Shall record all damages, missing components which adversely affect the value.

**6.** Should record inspection date, inspection officer, running condition of the vehicle, and inspection place of the vehicle. Inspection should be carried out by a qualified valuer.

**7.** Any valuation report should not be backdated or post-dated as the vehicle can meet with an accident during that period.

**8.** The documentary evidence related to the vehicle should be inspected and commented on the same. E.g. Expired revenue

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licence, Fitness certificate, CR etc. A Valuer must prepare a work file for each assignment which, upon completion, should contain a true copy, in paper or electronic form, of all written reports and correspondence, or memoranda of any verbal report, plus adequate file notes that substantiate the valuer's opinion by way of enquiry, objective comparison, deduction, and calculation.

- 9.** A Valuer must perform assignments with impartiality, objectivity, independence, and without accommodating personal interests.
- 10.** Subsequent issue of valuation report should indicate as duplicate.
- 11.** All Branches should have a professional or qualified valuer
- 12.** A Valuer must take all reasonable precautions to ensure that no conflict of duty arises between the interests of the client and those of the Valuer, his or her firm, relatives, friends, associates, or any other party. Potential conflicts should be disclosed in the report and in writing before accepting instructions. Any conflicts of which a Valuer becomes aware should be disclosed immediately. If conflicts come to the attention of a Valuer after completion of the assignment, disclosure must be made within a reasonable time. These may include financial interests, business and personal relationships and provision of other services by either the Valuer or the organization in the case of an organisation being appointed to do the valuation.
- 13.** Fees must not depend on a predetermined outcome and charge a fee accepted by LASL.
- 14.** Major assumptions in respect of facts that are not known must be prominently disclosed and must be reasonable to base line value published by LASL in consultation with panel of professional Valuers.
- 15.** Unless the nature and extent of such reliance is specified as a limiting condition, a Valuer must not rely upon critical information from a client or other party without appropriate vetting for reasonableness.
- 16.** In a review of another valuer's report, a Valuer must exhibit impartial judgment and justify the reasons for agreement or disagreement with the conclusions of the report.
- 17.** If LASL member incurred an excessive loss due to an inappropriate valuation provided, the LASL member has the right to claim the loss from the valuer to safeguard the public/stakeholders' interest or file action claiming the damage.