

Kingdom of Cambodia
Nation Religion King



NON-BANK FINANCIAL SERVICES AUTHORITY

No. 052/22 F.S.A.BRK

PRAKAS

ON

THE ACCREDITATION OF THE VALUATION COMPANY IN THE TRUST SECTOR

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DEPUTY PRIME MINISTER

MINISTER OF ECONOMY AND FINANCE

AND CHAIRMAN OF NON-BANK FINANCIAL SERVICES AUTHORITY

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Preah Reach Kret No. NS/RKT/0918/925, dated 6 September 2018, on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen Preah Reach Kret No. NS/RKT/0320/421, dated 30 March 2020, on the Appointment and Adjustment to the Composition of the Royal Government of the Kingdom of Cambodia;
- Having seen Preah Reach Kram No. NS/RKM/0618/012, dated 28 June 2018, promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen Preah Reach Kram No. NS/RKM/0196/18, dated 24 January 1996, promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen Preah Reach Kram No. NS/RKM/0121/003/, dated 16 January 2021, promulgating the Law on the Organization and Functioning of the Non-Bank Financial Services Authority;
- Having seen Preah Reach Kram No. NS/RKM/0119/002, dated 2 January 2019, promulgating the Law on Trust;

- Having seen Anukret No. 113 ANKR.BK, Dated 14 July 2021 on the Organization and Functioning of Under the Non-Bank Financial Services Authority
- Having seen Anukret No. 476 ANKR.BK, Dated 26 August 2013 on Financial Trust;
- Having seen Anukret No. 114 ANKR.BK, Dated 2 August 2019 on Trust Registration;
- Having seen Prakas No. 006 F.S.A.BRK, Dated 1 October 2021 on the Organization and functioning of Departments and Unit under the Trust Regulator;
- Having seen Prakas No. 1041 MEF.BRK, Dated 26 September 2014 on the Regulation and Supervision on Financial Trust;
- Having seen Prakas No. 1572 MEF.BRK, Dated 27 December 2016 on the Adjustment on Article 12 of Prakas No. 1041 MEF.BRK, Dated 26 September 2014 on the Regulation and Supervision on Financial Trust;
- Having seen Prakas No. 003 MEF.BRK, Dated 26 January 2022 on Rule for Supervising, Organization and Conducting Trust;
- Having seen Prakas No. 010 MEF.BRK, Dated 18 February 2022 on Trust Registration Fee
- June 2017 on Supervision of Business Providing Valuation and Real Estate Services
- In Accordance with the approval of the meeting on Council of Non-Bank Financial Services Authority on 12 October 2022

HEREBY DECISE
CHAPTER 1
GENERAL PROVISIONS

ARTICLE 1.-

This Prakas prescribes the requirements and procedures for the accreditation of valuation company and professional valuer in the trust sector from Trust Regulator (**TR**) as well as the right and obligation of business operation pursuant to the law and regulations in trust sector aiming at ensuring the accuracy of the value of a trust that has been created and registered.

ARTICLE 2.-

The scope of this Prakas shall be applied to valuation activities of real estate in trust sector in the Kingdom of Cambodia.

ARTICLE 3.-

The definitions of technical terms used in this Prakas shall be defined in this Article and the glossary of the annexe of the Law on Trust:

Valuation Company refers to a legal entity who received license for valuation service from Real Estate Business and Pawnshop Regulator (**RPR**).

Professional Certificate refers to a legal letter issued by the **RPR** to individual person who are qualified to act as a professional valuer.

Valuation Standard refers to the valuation standard that is applicable in the Kingdom of Cambodia and get accredited to use for valuation for valuation company and professional valuer.

Professional Valuer refers to an individual person who got a professional certificate from the **RPR** to provide valuation services to client on behalf of valuation company.

License refers to a legal letter issued by the **RPR** to any legal entity that are qualified enough to provide valuation services.

CHAPTER 2

THE ACCREDITATION OF THE VALUATION COMPANY AND THE PROFESSIONAL VALUER

ARTICLE 4.-

The valuation company intending to apply for the accreditation from the **TR** shall submit application form and supporting documents determined by the **TR** and meet the following requirements:

1. Got the license from **RPR**;
2. Has been registered and engaged in business activities in the Kingdom of Cambodia for at least 2 (two) years upon the applying date;
3. Has at least 1 (one) professional valuer who meet the requirements prescribing in Article 5 of this Prakas.

ARTICLE 5.-

To get the qualification approved, a professional valuer shall submit the application form and attached documents determined by the **TR** and meet the following requirement:

1. Has a professional certificate issued by the **RPR**;
2. Has a minimum of 3 (three) years of valuation experiences in real estate sector;
3. Has an appointment letter from valuation company;
4. Attends the training and examination organized by the **TR** or by Training Institution

having received the rightful from the **TR**; and the validity of the examination is 2 (two) years upon the result released. An applicant shall participate in the continuing professional education (CPE) program, organized by the **TR** or by the Training Institution having received the rightful from the **TR**, before the expiry of the examination result.

ARTICLE 6.-

The validity of the accreditation of valuation company and professional valuer is equivalent to the validity of the license received by the **RPR** upon the date of accreditation of valuation company and professional valuer.

ARTICLE 7.-

The valuation company shall submit the application form and attached documents determined by the **TR** for the accreditation renewal to the **TR** at least 15 (fifteen) days before the expiry date of the accreditation.

The professional valuer shall submit the application form and attached documents determined by the **TR** for the accreditation renewal to the **TR** at least 15 (fifteen) days before the expiry date of the qualification approval.

ARTICLE 8.-

The **TR** shall notify in writing to applicant on the approval or rejection of the accreditation, or renew the accreditation as prescribed in Article 7 within 21 (twenty-one) days upon the receipt of a complete application form and attached documents.

ARTICLE 9.-

Trustor/trust contributor, trustee and other persons doing business in trust sector shall select a valuation company and a professional valuer accredited and officially announced by the **TR**.

CHAPTER 3

THE OBLIGATION OF THE ACCREDITATED VALUATION COMPANY AND PROFESSIONAL VALUER

ARTICLE 10.-

The valuation company and professional valuer shall thoroughly comply with the standards which are license requirements from the **RPR** as following:

1. Valuation standards
2. Guideline on valuation standards
3. Code of conduct of professional valuer and
4. Law and other relevant regulations.

ARTICLE 11. –

The valuation company and professional valuer accredited by the **TR** shall prepare a valuation report of trust property/real estate trust fund by demonstrating the minimum information as following:

1. The source and type of information
2. The selection of valuation method
3. The data collection method
4. Reasons for choosing comparable assets
5. Other assumptions used for the valuation
6. Economic situation, legal factors, the use of trust property/fund and other factors that have an impact on the value of trust property/fund
7. The sale condition of trust property/fund
8. The financial condition of trust property/fund
9. The market condition of trust property/fund
10. Procedures and mechanism for on-site on trust property/fund
11. Verification of the valuation of trust property/fund
12. Any other significant factors affecting the valuation of trust property/fund.

ARTICLE 12. –

The valuation company and professional valuer accredited by the **TR** shall report to **TR** in the following cases:

1. Being requested by **TR** to explain or provide additional information and data related to the valuation activities of real estate.
2. Trust property/fund which is a real estate has been valued without complying with the Law.
3. Requested to halt the business or suspend the valuation services.
4. Trust property/fund is related to money laundering activities, terrorism financing and financing of the proliferation of weapon of mass destruction.

ARTICLE 13. –

A valuation contract with trustee shall prescribe the rights of the valuation company or professional valuer for providing information or valuation report to the **TR**.

ARTICLE 14.–

The valuation company accredited by the **TR** shall submit annual operational report in trust sector to the **TR** within 3 (three) months after the fiscal year or determined by the **TR**.

ARTICLE 15.-

In case the **TR** requires the valuation company to review some unclear points, the valuation company shall follow by the **TR**'s request through submitting information and supporting document in a proactive manner.

CHAPTER 4 FEES

ARTICLE 16.-

The valuation company shall pay the application fee for accreditation of 20,000 (twenty thousand) Riel and document processing fee of 200,000 (two hundred thousand) Riel and annual accreditation fee of 500,000 (five hundred thousand) Riel for 1 (one) year.

ARTICLE 17.-

The professional valuer shall pay the application fee for accreditation of 20,000 (twenty thousand) Riel and document processing fee of 100,000 (one hundred thousand) Riel and annual accreditation fee of 200,000 (two hundred thousand) Riel for 1 (one) year.

ARTICLE 18.-

An application and document processing fee paid to the **TR** in accordance with this Prakas shall not be refundable even though the application is rejected.

CHAPTER 5 PENALTIES

ARTICLE 19.-

The valuation company or professional valuer that contravenes any provisions of this Prakas may receive the following administrative sanctions:

- A warning
- A correction order
- A restriction on accredited status
- Suspension of accredited status
- Revocation of accredited status

ARTICLE 20.-

The **TR** may suspend the accreditation of valuation company or professional valuer in the following cases:

- 1-Do not complies with the valuation standards as stated in Article 10 of this Prakas;
- 2-Information in application form and attached documents are fault or untruthful;
- 3-There is a complaint against valuation result;

4-Professional certificate or license issued by the **RPR** has been suspended.

ARTICLE 21.-

The **TR** may withdraw the accreditation of the valuation company or professional valuer in the following cases:

1-For the valuation company:

- a- License issued by the **RPR** has been revoked;
- b- Upon the expiry of the suspension duration stated in Article 20 of this Prakas, with the reasons of the valuation company's suspension is not yet settled;
- c- The valuation company has made falsified valuation information or broken the Law and other regulations or involve in money laundering, terrorism financing and financing of the proliferation of weapon of mass destruction.

2-For professional valuer

- a- Professional certificate issued by the **RPR** has been revoked;
- b- Upon the expiry of the suspension duration as stated in the Article 20 of this Prakas, with the reason of the valuation company's revocation is not settled or
- c- The professional valuer has made falsified valuation information or broken the law and other regulations or involve in money laundering, terrorism financing and financing of the proliferation of weapon of mass destruction.

ARTICLE 22.-

The valuation company or professional valuer who has been suspended or revoked the accreditation as stated in Article 20 and 21 of this Prakas shall terminate the business activities in the trust sector from the date of issuing a written notice of suspension or revocation from the **TR**. The valuation company and professional valuer may resume the business activities after receiving a permitted letter in written from the **TR**.

ARTICLE 23.-

A cash penalty from 200,000 (two hundred thousand) Riel to 20,000,000 (twenty million) Riel shall be implemented by the trust inspector for the valuation company or professional valuer who has breached the Article 7 or Article 14 of this Prakas.

A cash penalty from 200,000 (two hundred thousand) Riel to 40,000,000 (forty million) Riel shall be implemented by the trust inspector for the valuation company or professional valuer who has breached the point No. 2 or 4 of Article 12 of this Prakas.

ARTICLE 24.-

The formalities, procedures and appeal for the administrative sanctions and penalties as stated in this Chapter shall be determined by the Prakas of Non-Bank Financial Services Authority.

A person who directly affected by the decisions of the trust inspector as stated in this Chapter may make an appeal in accordance with the procedures as stipulated in the Law on Trust.

ARTICLE 25.-

Administrative sanctions and penalties as stated in this Chapter are not prohibited for the implementation of the criminal law and other compensatory damages.

**CHAPTER VI
FINAL PROVISIONS**

ARTICLE 26.-

The **TR** may issue guidelines compliance with the Law and relevant regulations in trust sector for facilitating the understanding and enforcement of the requirements of this Prakas to participants in trust sector and the public.

ARTICLE 27.-

Director General of the **TR**, Director of Trust Registration Department, Legal Affair and Inspection Department and all departments of the **TR** and related parties shall implement this Prakas from the date of signing.

Phnom Penh, 3rd November 2021

Deputy Prime Minister

Minister of Ministry of Economy and Finance
and Chairman of Non-Bank Financial Services Authority

AKKAK BUNDIT SOPHEACHA AUN PORNMONIROTH

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