

Market economies need responsible, ethical professionals: MS Sahoo

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The Insolvency and Bankruptcy Code (IBC) has brought in a boom for resolution professionals, and the same is expected for the industry engaged in valuation of stressed assets, and this required codification of professional standards, while enhancing and improving techniques of valuation.

The Insolvency and Bankruptcy

Board of India (IBBI) has been entrusted with developing that codification and enhancement of valuers for now by the Ministry of Corporate Affairs.

"Professional bodies perform secondary state functions," and therefore, they have a responsibility to the public, M S Sahoo (*pictured*), chairperson of the IBBI, said at an ASSOCHAM event of



valuation professionals (VPs) in Mumbai.

The IBBI is the regulator of insolvency resolution professionals (IRPs), and now, it has been given the temporary responsibility of regulating VPs.

Just as in the case of IRPs, from April 1, individuals will have to enrol as 'valuer members' with a Registered Valuer Organisation

(RVO). Valuers will be recognised by the IBBI only after they undergo training by a recognised educational course conducted by the RVO, and pass a valuation examination administered by the IBBI.

The IBBI has, so far, recognised three RVOs: Institution of Estate Managers and Appraisers, IOV Registered Valuers Foundation, and ICSI Registered Valuers Organisation. Institutional economic thinking says that rule of law, contract

enforcement, property rights, civil liberties, and the negotiation of public versus private economic activity, are essential to the fruitful functioning of a market economy.

This is something that Sahoo touched upon prominently in his speech, wherein he talked about how we live in a society where VPs and IRPs, despite receiving a fee for the services from a particular client, perform, participate and contribute to the development of public life.