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*The English translations of the RERA legislation contained herein are currently in draft form and are provided for reference only.*

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## **Resolution No. 2 of 2019 On Licensing of Real Estate Valuers**

The Board Chairman of the Real Estate Regulatory Authority, having taken cognizance of the following:

- Law No. 39 of 2009 on the Acquisition of Real Estates for the Public Interest;
- Real Estate Sector Regulatory Law Promulgated under Law No. 27 of 2017;
- Decree No. 69 of 2017 on Regulating the Real Estate Regulatory Authority;
- Resolution No. 5 of 2018 on Determining the Fees of Services, Applications and Licenses Issued under the Provisions of the Real Estate Sector Regulatory Law;
- Proposal of the Chief Executive Officer of the Real Estate Regulatory Authority; and
- Approval of the Board of Directors of the Real Estate Regulatory Authority

### **Chapter (1)**

#### **Definitions and Scope of Applicability**

##### **Article (1)**

##### **Definitions**

In the application of the provisions of this resolution, the words and phrases mentioned herein shall have the same meanings mentioned in the Real Estate Sector Regulatory Law promulgated under Law No. 27 of 2017 and the following

words and phrases shall have the meanings ascribed thereto unless the context requires otherwise:

- Law** : The Real Estate Sector Regulatory Law promulgated under Law No. 27 of 2017
- License** : The written final approval issued by the Real Estate Regulatory Authority to the applicant for a license to carry out the business of real estate valuation.
- Application** : The application submitted to the Real Estate Regulatory Authority for license.
- Applicant** : The natural or legal person who submits an application to the Real Estate Regulatory Authority for a license.
- Continuous Professional Development** : The responsibilities of the continuous professional development program set out by the Real Estate Regulatory Authority including lectures and training.
- Valuation Methods** : The guidelines issued by the Real Estate Regulatory Authority about the approaches and mechanisms of real estate valuation.
- Valuer** : The natural or legal person licensed to carry out the real estate valuation business in the Kingdom.
- Valuers' Register** : The register maintained by the Real Estate Regulatory Authority under Article (42) of the Law and the provisions of this resolution to record the details of real estate valuers.

## **Article (2)**

### **Scope of Applicability**

The provisions stated in this resolution shall apply to the licenses issued by the Real Estate Regulatory Authority to carry on the business of real estate valuation.

## **Chapter (2)**

## License Requirements, Controls, Procedures and Categories

### Article (3)

#### The Authority to Issue Licenses

Subject to the provisions of valuating properties acquired in accordance with the real estate Acquisition Law No. 39 of 2009, no one shall carry on the business of real estate valuation in the Kingdom unless after obtaining a prior license from the Real Estate Regulatory Authority in accordance with the provisions of the Law and this resolution.

### Article (4)

#### License Types and Categories

The licenses to carry on the real estate valuation business shall follow the following controls and categories:

##### **A. License (D):**

License (D) is a temporary one and shall be given in accordance with the following controls:

1. The license applicant shall be literate.
2. The license applicant shall have at least six months of experience in the real estate field.
3. The license applicant shall submit a proof of successfully completing the mandatory training course run by the Real Estate Regulatory Authority.

The licensee in this category can obtain a permanent license provided that he/she submit ten valuation reports to the Real Estate Regulatory Authority and approve them in accordance with the mechanism adopted by the Real Estate Regulatory Authority as per the local valuation standards.

##### **B. License (C):**

License (C) shall be given in accordance with the following controls:

1. The license applicant shall be literate.
2. The license applicant shall have at least twelve months of experience in the real estate field.
3. The licensee in this category shall submit twenty-five valuation reports of Category (D) reports to the Real Estate Regulatory Authority and approve them in accordance with the mechanism adopted by the Real Estate Regulatory Authority as per the local valuation standards.

4. The license applicant shall submit a proof of successfully completing the mandatory training course run by the Real Estate Regulatory Authority or its equivalent qualification prescribed by the Real Estate Regulatory Authority for Category (C).

**C. License (B):**

License (B) shall be given in accordance with the following controls:

1. The license applicant shall have at least twenty-four months of experience in the real estate valuation field.
2. The licensee in this category shall submit thirty valuation reports of Category (C) reports to the Real Estate Regulatory Authority and approve them in accordance with the mechanism adopted by the Real Estate Regulatory Authority as per the local valuation standards.
3. The license applicant shall submit a proof of successfully completing the mandatory training course run by the Real Estate Regulatory Authority or its equivalent qualification prescribed by the Real Estate Regulatory Authority for Category (B).
4. The license applicant shall submit a professional indemnity insurance certificate with the value to be determined by the Real Estate Regulatory Authority.

**D. License (A):**

License (A) shall be given in accordance with the following controls:

1. The license applicant shall submit the certificate of secondary school at least.
2. The license applicant shall have at least thirty-six months of experience.
3. The license applicant shall be an approved member in one of the international real estate valuation organizations.
4. The license applicant shall submit a proof of successfully completing the mandatory training course run by the Real Estate Regulatory Authority Category (A).
5. The licensee in this category shall submit forty valuation reports of Category (B) reports to the Real Estate Regulatory Authority and approve them in accordance with the mechanism adopted by the Real Estate Regulatory Authority as per the local valuation standards.

6. The license applicant shall submit a summary of his/her experience and a list of the names of clients to whom he/she valued properties.
7. The license applicant shall submit a professional indemnity insurance certificate with the value to be determined by the Real Estate Regulatory Authority.

In all cases, the Real Estate Regulatory Authority may verify the client satisfaction of the performance of the license applicant as a proof of proficiency.

### **Article (5)** **License Application**

The license application shall be submitted to the Real Estate Regulatory Authority on the relevant form attaching the following documents thereto:

1. If the license applicant is a natural person:
  - A. Copy of the certificate of registration in the commercial registration stating the business which the applicant wants to carry on.
  - B. Copy of a valid identity card or passport.
  - C. Recent personal photograph.
  - D. Introductory details, especially the place of residence, contact numbers, email, place of work and branches, if any.
  - E. Application fees payment receipt.
  - F. Professional indemnity insurance certificate, as the case maybe.
  - G. Certificate of the continuous professional development program as determined by the Real Estate Regulatory Authority.
  - H. The required number of real estate valuation reports for the category applied for, which will be evaluated by the Real Estate Regulatory Authority.
  - I. Any other documents or details required by the Real Estate Regulatory Authority.
2. If the license applicant is a legal person:
  - A. Copy of the certificate of registration in the commercial registration stating the business which the applicant wants to carry on.
  - B. Documents showing the company structure, names of directors and representative before the Real Estate Regulatory Authority.
  - C. Application fees payment receipt.
  - D. Professional indemnity insurance certificate, as the case maybe.

- E. The required number of real estate valuation reports for the category applied for, which will be evaluated by the Real Estate Regulatory Authority.
- F. Any other documents or details required by the Real Estate Regulatory Authority.

## **Article (6)**

### **License Applicant General Requirements**

The license applicant shall fulfill the following requirements:

1. If the applicant is a natural person, he/she shall:
  - A. Have not received a final conviction judgment in a dishonesty or dishonor crime or misdemeanor unless otherwise rehabilitated.
  - B. Have not been declared bankrupt under a final judgment unless otherwise rehabilitated.
  - C. Have good command of reading and writing in Arabic.
2. If the applicant is a legal person, it shall:
  - A. Have not been declared bankrupt under a final judgment.
  - B. Have no directors who have been declared bankrupt or were directors for a liquidated company, unless otherwise they were rehabilitated.
  - C. Have no directors who have received a final judgment in a dishonesty or dishonor crime or misdemeanor, unless otherwise they were rehabilitated.

## **Article (7)**

### **License Applicant Special Requirements**

Subject to the general requirements, the license applicant who applies for a license to carry on the real estate valuation business shall:

1. Successfully complete the continuous professional development program;
2. Have the required experience in real estate valuation determined for the category applying for. If the license (D) applicant does not have the sufficient experience, the Real Estate Regulatory Authority may issue a provisional license that requires the licensee to attend the continuous professional development program within the license duration and submit a certificate of

successful completion of the same in addition to other requirements determined by the Real Estate Regulatory Authority.

## **Article (8)**

### **Valuers Scope of Work**

#### **A. The scope of work of valuers from category (D) is as per the below:**

1. Valuing residential properties and empty lands whose value do not exceed five hundred thousand Bahraini dinars based on comparison for each square meter.
2. Being supervised in any other valuations by a licensed valuer of a higher category.
3. Prohibited from carrying out income-based, cash flows, balance value, investment, profits or cost-based valuations.

#### **B. The scope of work of valuers from category (C) is as per the below:**

1. Valuing properties whose value do not exceed three million Bahraini dinars
2. Supervise the valuations carried out by a licensed valuers of category (D).
3. Valuing residential properties, empty lands, and commercial valuations based on comparing the sales for each square meter, investment-based valuations and cost-oriented valuations.
4. Being supervised in any other valuations by a licensed valuer of a higher category.
5. Prohibited from carrying out valuations that are based on profits, balance value or investment-based valuations using discounted cash flows and commercial property development projects.

#### **C. The scope of work of valuers from category (B) as per the below:**

1. Valuing properties whose value do not exceed ten million Bahraini dinars
2. Valuing residential and commercial properties on comparable based method, residual value, income, cash flows or cost and valuing commercial property development projects.
3. Supervise the valuations carried out by a licensed valuers of category (D) and (C).
4. Prohibited from carrying out valuations that are based on profit method and projects that consists of several buildings for mixed use.

#### **D. The scope of work of valuers from category (A) shall include:**

The valuer from category (A) shall have the right to value all property types and supervise the valuations done by other valuers from all other categories.

### **Article (9)**

#### **Decision on and Renewal of License Application**

The Real Estate Regulatory Authority shall issue its decision on accepting or renewing the license application within five working days as of the date of submission, if it fulfills the requirements. The expiry of this period shall be deemed to be an implicit rejection of the application.

The license applicant shall have the right to complain against the rejection decision in accordance with the provisions set out in the Law.

The licensed valuers may apply for upgrading the license to a higher category if he/she fulfills the requirements of the category he/she is upgrading to.

### **Article (10)**

#### **Grant of License**

The license shall be issued in accordance with the relevant form prepared by the Real Estate Regulatory Authority after paying the license prescribed fees.

### **Article (11)**

#### **License Duration**

The license duration is one year starting from the date of issue.

### **Article (12)**

#### **License Assignment or Disposal**

Valuers are prohibited from assigning or disposing their license to third parties and any agreement on the same shall be deemed to be null and void.

## **Chapter (3)**

### **License Renewal and Revocation**

#### **Article (13)**

##### **License Renewal Application**

The license shall be renewed at least sixty days before its expiry with the same requirements and procedures prescribed for submitting the original license



application, provided that the following documents and details shall be attached thereto:

1. Renewal application;
2. Renewal fees payment receipt;
3. Copy of valid commercial registration certificate;
4. Valuers' Transaction Register of completed transactions for the period to be determined by the Real Estate Regulatory Authority;
5. Certificate of the Continuous Professional Development program to be determined by the Real Estate Regulatory Authority;
6. Any other documents or details required by the Real Estate Regulatory Authority.

#### **Article (14)**

##### **License Revocation**

The license shall be revoked in the following cases:

1. If the Real Estate Regulatory Authority becomes aware that the valuers obtained the license based on incorrect information or invalid documents.
2. If the valuer fails to fulfill a license requirement.
3. If the licensee assigned or disposed of the license to a third party.
4. If the license expired and not renewed.
5. If the legal personality of the licensee is merged with another without the prior approval of the Real Estate Regulatory Authority.
6. If the valuer applies for terminating the license.
7. If the licensed legal person is liquidated.
8. If the valuer is deregistered or removed from the commercial registration.
9. If the licensee fails to comply with the Code of Conduct or proficiency standards prescribed by the Real Estate Regulatory Authority.
10. If the Real Estate Regulatory Authority revoked the license based on good reasons.

#### **Chapter (4)**

##### **Valuer's Obligations and Responsibilities**

#### **Article (15)**

##### **Independence and Integrity**

The valuer shall comply with the Code of Conduct issued by the Real Estate Regulatory Authority and shall carry on his/her business in total independence, integrity and good faith in accordance with the provisions of this resolution.

The valuer shall display the license registration number in a visible place in his/her place of work, website, social media websites, publications, advertisements and official correspondence.

### **Article (16)**

#### **Reporting any Change or Amendment in Valuer's Details**

The valuer shall report any changes or amendments made to his/her introductory details to the Real Estate Regulatory Authority. If he/she fails to report the same, all correspondence sent out to him/her shall be deemed to be valid and legally effective.

The valuer shall also inform the Real Estate Regulatory Authority of any changes or amendments made to the details of his/her commercial registration within seven days as of the date of these changes or amendments.

### **Article (17)**

#### **Maintenance of Records**

The valuer shall maintain the records of all his/her transactions including the real estate project details, value, valuation method, invoices, accounts, records, data and any other relevant licensing documents for a period of no less than five years.

### **Article (18)**

#### **Disclosure**

The valuer shall not disclose valuation reports in whole or in part or any other reference or estimates unless otherwise required by the Real Estate Regulatory Authority or the valuation requester.

### **Article (19)**

#### **Annual Report**

The valuer shall provide the Real Estate Regulatory Authority with an annual report – before renewing the license – stating the details of all his/her transactions during

the year on the form prepared by the Real Estate Regulatory Authority and shall guarantee the confidentiality of the client's personal details.

## **Article (20)**

### **Prohibitions**

The valuer shall not carry out any work or business that contradicts the purpose for which the license is granted thereto and shall not carry on real estate valuation and agency at the same time.

In case of violating the same, the Real Estate Regulatory Authority shall have the right to take the measures prescribed by the Law.

## **Chapter (5)**

### **Valuers' Register**

#### **Article (21)**

##### **Creation of Valuers' Register**

The Real Estate Regulatory Authority shall create a hard or soft copy register to be called the Valuers' Register.

#### **Article (22)**

##### **Details of the Valuers' Details**

The Valuers' Register shall contain all the key details of the licensee, especially:

1. Licensee's name and address;
2. License number, date of issue and renewal;
3. Valuer's contact details (telephone number, email, and website, if any)
4. Valuer's authorized representative, if any.

#### **Article (23)**

##### **Provisions of the Valuers' Register**

The details recorded in the Valuers' Register shall be deemed to be valid unless the Real Estate Regulatory Authority confirms otherwise.

The Register shall be accessible to the general public. A certified copy of the Register may be issued by the Real Estate Regulatory Authority together with the information recorded therein or a negative certificate not to add a certain matter thereto after paying the prescribed fees.

**Chapter (6)**  
**Valuation Procedures**

**Article (24)**

**Application of Valuation Rules**

The licensee shall apply the valuation rules prescribed in this resolution to all properties in the Kingdom.

**Article (25)**

**Valuation Request**

To carry out the valuation procedures, the valuer shall:

1. Be provided with all the real estate project's documents and details;
2. Sign a written agreement with the client stating the terms and conditions of the valuation agreement;
3. Verify that the valuation requester is the real estate project's owner or owner's authorized representative.

**Article (26)**

**Valuation Standards and Methods**

The valuer shall comply with the valuation standards and methods prescribed in the laws applicable in the Kingdom as well as the instructions and directives issued by the Real Estate Regulatory Authority about using the methods of cash flows, sales comparison, cost approach, income method and investment-based approach in accordance with the international valuation standards and directives issued by the Real Estate Regulatory Authority.

**Article (27)**

**Real Estate Valuation Certificate**

The valuer – when carrying out a valuation transaction – shall issue a certificate to be called the Real Estate Valuation Certificate stating the following details:

1. Certificate date of issue;
2. Valuation purpose;
3. Type of real estate being valued;

4. Details of the real estate project being valued;
5. Valuation price;
6. Valuer's signature; and
7. Valuation method

The certificate shall be valid for three months as of the date of issue and may be renewed.

#### **Article (28)**

##### **Conflict of Interests**

Upon carrying on the business of real estate valuation, the licensee or any of its employees shall:

1. Disclose to the client in writing whether he/she has a direct or indirect interest that conflicts with the requirements of his/her work.
2. Not engage in any real estate valuation transactions in which he/she, his/her spouse or his/her children have a personal interest unless he/she explains that interest to the other party and obtains a written permission thereto.
3. Not to engage in any real estate valuation transactions for the benefit of any of the family members up to the fourth degree, unless he/she explains that interest to the other party and obtains a written permission thereto

#### **Article (29)**

##### **Powers of the Real Estate Regulatory Authority**

The Real Estate Regulatory Authority shall have the right to:

1. Approve training programs;
2. Determine the requirements of supervising trainees and approve valuation training courses; and
3. Determine the method to be used in preparing the reports for the purposes of this resolution.

#### **Chapter (7)**

##### **Provisional and Concluding Provisions**

#### **Article (30)**

##### **Status Regularization**

All real estate valuers at the time of issuing this resolution shall regularize their status within no more than six months as of the date on which this resolution comes into force.

The Real Estate Regulatory Authority may exempt a status regularization application from some licensing requirements and give him/her a provisional license for one Gregorian year.

#### **Article (31)**

##### **Repeal**

Any provision that contradicts the provisions of this resolution shall be repealed.

#### **Article (32)**

##### **Effectiveness**

The Chief Executive Officer of the Real Estate Regulatory Authority shall enforce the provisions of this resolution as of the day following its publication in the Official Gazette.

**Real Estate Regulatory Authority Board Chairman**

**Salman bin Abdullah bin Hamad Al Khalifa**