

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (IMMOVABLES
VALUATION) INSTRUMENT 2008**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power);
 - (b) section 139(4) (Miscellaneous ancillary matters);
 - (c) section 156 (General supplementary powers);
 - (d) section 157(1) (Guidance); and
 - (e) section 247 (Trust scheme rules); and
 - (2) regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 6 October 2008.

Amendments to the Handbook

- D. The Collective Investment Schemes sourcebook (COLL) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Collective Investment Schemes Sourcebook (Immovables Valuation) Instrument 2008.

By order of the Board
25 September 2008

Annex

Amendments to the Collective Investment Schemes sourcebook (COLL)

In this Annex, underlining indicates new text and striking through indicates deleted text.

5.6.20 R ...

(3) The following requirements apply in relation to the functions of the *standing independent valuer*:

...

(f) any valuation by the *standing independent valuer* must be ~~on~~ the basis of an ‘Open Market value’ as defined in Practice Statement 3 in the Royal Institute of Chartered Surveyors’ ~~Appraisal and Valuation Manual (first edition published September 1995)~~ undertaken in accordance with UKPS 2.3 of the RICS Valuation Standards (The Red Book) (6th edition published January 2008), or in the case of overseas immovables on an appropriate basis, but subject to COLL 6.3 (Valuation and pricing).

...

5.6.20A G In considering whether a valuation of overseas immovables by the *standing independent valuer* is made on an appropriate basis for the purpose of COLL 5.6.20R(3)(f), the *authorised fund manager* should consider whether that valuation was made in accordance with internationally accepted valuation principles, procedures and definitions as set out in the International Valuation Standards published by the International Valuation Standards Committee.

...

6.3.6 G Table: This table belongs to COLL 6.3.2G(2)(a) and COLL 6.3.3R (Valuation).

Valuation and pricing		
1	The valuation of scheme property	
	...	
	(7A)	<u>Where the <i>authorised fund manager</i>, the <i>depository</i> or the <i>standing independent valuer</i> have reasonable grounds to believe that the most recent valuation of an immovable does not reflect the current value of that immovable, the <i>authorised fund manager</i> should consult and agree with the <i>standing independent valuer</i> a fair and reasonable value for</u>

		<u>the immovable.</u>
...		

...

8.4.13 R ...

(2) The following apply in relation to the functions of the *standing independent valuer*:

...

(f) any valuation by the *standing independent valuer* must be ~~on~~ the basis of an ‘Open Market value’ as defined in the Royal Institute of Chartered Surveyors’ Appraisal and Valuation Standards (Fifth Edition) (“Red Book”) undertaken in accordance with UKPS 2.3 of the RICS Valuation Standards (The Red Book) (6th edition published January 2008), or in the case of overseas immovables on an appropriate basis, but is subject to any provisions of the *instrument constituting the scheme*.

...

8.4.14 G In considering whether a valuation of overseas immovables by the *standing independent valuer* is made on an appropriate basis for the purpose of *COLL 8.4.13R(2)(f)*, the *authorised fund manager* should consider whether that valuation was made in accordance with internationally accepted valuation principles, procedures and definitions as set out in the International Valuation Standards published by the International Valuation Standards Committee.

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