

Yang Di-Pertua:
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CIRCULAR 5/97 - ON SECTION 23

TO : ALL REGISTERED VALUERS, APPRAISERS AND ESTATE AGENTS
ALL PROBATIONARY VALUERS, PROBATIONARY ESTATE AGENTS

DATE : 10 APRIL 1997

Dear Sir/Madam

PRACTICE BY FIRMS

As you are aware the Valuers, Appraisers and Estate Agents Act 1981 has recently been amended and I draw your attention to the new Sub-Sections (4) and (5) of Section 23 which read as follows :-

- (4) No registered valuer, appraiser or estate agent may, unless the Board so approves in writing, become or remain as a sole proprietor, partner, shareholder or director of more than one sole proprietorship, partnership of body corporate, as the case may be, practising valuation, appraisal or estate agency after this section comes into force.
- (5) Where a registered valuer, appraiser or estate agent has, before the coming into force of this section as amended, been a sole proprietor, partner, shareholder or director of more than one firm, then within two years from the date of coming into force of this section as amended, he shall divest his equity in all except one of the firms unless the Board approves otherwise in writing.

As it stands, a registered person cannot hold equity or be a director in more than one valuation or agency firm and a firm in this context includes a subsidiary or branch firm or company within the same group. Thus a registered person cannot be an equity owner in the parent company ABC Sdn Bhd and at the same time be an equity owner in a subsidiary company of ABC Sdn Bhd, say ABC Realty Sdn Bhd or a branch office of ABC Sdn Bhd, say ABC Melaka Sdn Bhd. It also covers the more straightforward case where a registered person is not permitted to own equity or be a director in two separate and independent valuation or estate agency firms i.e. he cannot be an equity owner or a director in ABC Sdn Bhd and DEF Sdn Bhd at the same time.

However, the Board has now decided that the registered person can in fact own equity in subsidiary or branch firms/companies within the same group PROVIDED that the equity owner(s) in the parent firm hold not less than 51% of the equity in the subsidiary or the branch firm within the same group. A registered person cannot under any circumstances own equity or be a director in a firm outside the group.

The Board has also decided that in line with the provisions of subsections (4) and (5) any registered person who on the date of the coming into force of the Valuers, Appraisers and Estate Agents Amendment Act 1997 is not in compliance with the new Board's ruling are given two years from the date of the coming into force of the Act to restructure accordingly.

Yours faithfully
LEMBAGA PENILAI, PENTAKSIR DAN
EJEN HARTATANAH MALAYSIA

R MAHALETCHUMI
Registrar