



FINANCIAL SERVICES
COMMISSION

GUIDELINE No. 13

VALUATION OF REAL PROPERTY

This Guideline is issued by the Financial Services Commission (“the Commission”) pursuant to section 53 of the Financial Services Commission Act 2010-21 (“Act”) and comes into effect March 1, 2013.

This Guideline establishes the standards of the Commission with respect to the acquisition and valuation of real property pursuant to section 196A of the Co-operative Societies Act (CSA).

1. Without the prior approval in writing of the Commission, a credit union may only acquire real property, whether in fee simple or as a leasehold interest, if the real property is located in Barbados.
2. In keeping with Section 196A(1) of the CSA, no credit union may acquire or hold real property where the market value of the property to be acquired would cause the aggregate value of the real property in which the credit union holds a fee simple or leasehold interest to exceed 6% of the stated assets of the credit union.
3. For the purposes of subsection 196A(1) of the CSA, “market value” of real property means the net amount that could be expected to be realized if the real property were sold in an open market under conditions requisite to a fair transaction between parties who are at arm’s length and who are acting prudently, knowledgeably and willingly;
4. The Commission may cause an expert appraisal to be made of the market value of any real property held by the credit union if he is not satisfied with the market value of the real property as determined by the credit union and may require that the appraised value be substituted for the value of the real property as determined by the credit union.