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**EVALUATION ACTIVITY AND PARTICULARLY ITS REGULATION IN THE
REPUBLIC OF BELARUS**

**ACTIVITATEA DE EVALUARE ȘI PARTICULARITĂȚILE REGLEMENTĂRII
ACESTEIA ÎN REPUBLICA BELARUS**

*BORZDOVA Tatiana, PhD,
Belarusian State University, Minsk, Republic of Belarus
SVIRID Olga, Bachelor of Management
Belarusian State University, Minsk, Republic of Belarus*

*BORZDOVA Tatiana, doctor, conferențiar universitar,
Universitatea de Stat din Belarus, Minsk, Republica Belarus
SVIRID Olga, licențiat în management
Universitatea de Stat din Belarus, Minsk, Republica Belarus*

***Annotation:** This work is devoted to the analysis of assessment activities in the Republic of Belarus. It examines the state regulation of the activity: legislative framework, the system of standards of valuation of objects of civil rights, the organization of attestation of appraisers in the country.*

***Adnotare:** Acest articol este dedicat analizei activității de evaluare a obiectelor în Republica Belarus. Este prezentată reglementarea de stat a acesteia: cadrul legislativ, sistemul de standarde pentru evaluarea obiectelor de drept civil, organizarea atestării evaluatorilor din țară.*

***Keywords:** appraisal services, facility assessment, subject assessment, evaluation standards, attestation of appraisers.*

***Cuvinte-cheie:** servicii de evaluare, facilitate ale evaluării, obiectul evaluării, standarde de evaluare, atestarea evaluatorilor.*

Introduction

Valuation activity in the Republic of Belarus has intensified significantly during the period of privatization and revaluation of fixed assets: companies were allowed to engage independent expert organizations to determine the market-value of the property. It is natural, that such an important activity should be settled. «Regulation of valuation activity is a system of measures and procedures which are aimed to improve the quality of the service, which appraisers provide, and to ensure conformity of the services with certain criteria, which are set by the professional association of appraisers (self-regulation) or public authorities (government regulation) or together» [1].

Materials and methods of research

In the current stage Belarus has chosen regulation by the government, which is characterized by the following features: validation of appraisers by State Property Committee; maintaining the state registry of appraisers; development and adoption of professional standards by government agencies [2].

With a glance at the practice of state regulation of valuation activities in other countries, it should be noted, that in countries with developed market relations and traditions, which have sufficiently stable socio-economic conditions, the role of government regulation is reduced and the main levers of control interventions are concentrated in private (social, self-regulated) professional structures. In the reformed economies, to which Belarus is reckoned among, in the situation which

is close to the crisis, the controlling role of the state markedly increases. The formation of valuation activities is now currently appearing in Belarus, including the development of the legal framework, training, therefore experts think that it's necessary to have a government regulation on this stage.

In Belarus until 2006 valuation activities weren't regulated in complex: generally valuation activity was accomplished on the basis of departmental regulations. That time some special requirements weren't filed for artificial and natural persons, who were engaged in this activity. Also there was no proper control by the public authorities over the activities of appraisers. So it was rather difficult to determine the level of the biggest part of professional appraisers. It was also difficult to control the correctness of the valuation activities of the property accomplished evaluators.

Evaluators usually used the «Guidelines on the assessment of the real estate and its property rights» during the market valuation. This document was approved by Board of the Ministry of State Property Management and Privatization of the Republic of Belarus (report on 27.11.2000 № 26) and was of a recommendatory nature.

The situation has changed in 2006 with the adoption of the Decree of The President of the Republic of Belarus № 615 on 13.11.2006 «On appraisal activities in the Republic of Belarus» [3] (hereinafter – Presidential Decree number 615), which started to regulate the relations which are arising in the valuation processes in the country. In 2010 the Decree of The President of the Republic of Belarus № 410 on August 6, 2010 «On Amendments and Additions to the Presidential Decree of 13 October 2006» was approved.

The Presidential Decree number 615 defined:

- the competence of the President of the Republic of Belarus, the Council of Ministers, the State Property Committee of the Republic of Belarus and other governments in the field of evaluation;
- mandatory certification of appraisers;
- conditions of assessment of state property;
- types of evaluation, which aren't extended the application of decree, etc.

In accordance with the Decree, The President of the Republic of Belarus determines the state policy in the field of valuation activity, and the Council of Ministers implements the state policy in the field of valuation, oversees the activities of state bodies in this field and defines methods for estimating objects of civil rights for the implementation of a single type of transaction. In turn, the State Committee of Property maintains the state register of appraisers, represents the interests of the Republic of Belarus in international organizations over the valuation of objects of civil rights; adopts normative legal acts in the field of valuation of objects of civil rights in accordance with the Decree and provides interaction and coordination of national government and other state organizations subordinated to the Government of the Republic of Belarus in the field of valuation activity.

In order to comply the state's interests the Decree provides that the valuation of the state's movable and immovable property (in order to make deals with it or other legal actions) is accomplished exclusively by state organizations or organizations with the obligatory presence in their statutory fund the state's share of more than 50 percent.

The Decree № 615 approves the «Regulations on the valuation of objects of civil rights in Belarus». This Decree forms the objects of civil rights which are to be valued; defined evaluation methods, assessment base, list of documents submitted to the customer for evaluation, requirements for the content of these documents, established cases of the compulsory assessment, defines the rights and responsibilities of the valuator, estimates its liability for damages incurred as a result of the valuation activity [4].

In accordance to the Decree objects of civil rights that are to be valued are enterprises as property complexes, buildings, isolated premises, which are not constructional completed, land, machinery, equipment, vehicles, materials and other property, also intellectual one [5].

The Decree № 615 provide development and adoption of state standards of the Republic of Belarus on the valuation of civil rights. Not the first year State Committee of Property of the Republic of Belarus covers the issues related to the development of the standardization system in valuation. The system of valuation standards of the objects of civil rights is a complex of interrelated standards which establish regulations, rules and requirements to provide regulatory, methodological and organizational unity in determining the cost of valuation objects, and also to provide valuation services and interaction of stakeholders.

This system is designed to provide [6]:

- uniformity and constructive interaction between appraisers, customer and user of valuation;
- creation of an efficient information system for the prompt submission of periodic evaluators materials relating to their professional activity;
- formation of rules and procedures for quality assurance evaluation services, as well as the creation of a regulatory framework for their certification;
- creation and maintenance of a system of classification and coding of technical and economic information used in the assessment of the evaluation;
- creation of conditions to comply with appraisers requirements established in the Presidential Decree № 615;
- compliance with the laws of the Republic of Belarus.

Results and considerations

In 2011 the State Committee of Property of the Republic of Belarus developed, and the State Committee for Standardization approved the following basic state standards on the assessment of civil rights:

- STB 52.0.01-2011 and STB 52.0.02-2011 «Valuation of civil rights. General Provisions» and «Terms and definitions»;
- STB 52.1.01-2011 «Valuation of civil rights. Rating enterprises as property complexes (business)»;
- STB 52.2.01-2011 «Valuation of civil rights. Valuation of land and land plots»;
- STB 52.3.01-2011 «Valuation of civil rights. Valuation of buildings, also ones which are not constructional completed, isolated premises as immovable property» and etc.
- In 2011 by the State Committee of Property of the Republic of Belarus approved a number of technical codes of established practice (TAP), which sets out the basic terms and procedures for the valuation of objects of civil rights:
- TAP 52.1.01-2011 «Valuation of civil rights. Corporate valuation (business)»;
- TAP 52.2.01-2011 «Valuation of civil rights. The order of cadastral evaluation, land settlements»;
- TAP 52.3.01-2011 «Valuation of civil rights. Valuation of permanent structures (buildings), isolated premises as immovable property»;
- TAP 52.7.01-2011 «Valuation of civil rights. Procedure for assessing the value of property owned by the state».

The main legal act which regulates the examination of state property's valuation is The Guidelines for the evaluation of the property, owned by the state, № 35 dated May 2, 2008. This manual provides a definition of the appraised value according to some rules. It provides cases of the

compulsory valuation of the state property where the assessed value is specified using the market valuation of real estate. It is a process of choosing the biggest price between valuated price and market price for this deal to happened. The evaluation results are tested in the State Committee of Property of the Republic of Belarus or regional territorial funds for their authenticity. In order to develop and form common principles and approaches to the assessment of real estate in the Republic of Belarus it was decided to make the Expert Advisory Board for evaluation under the State Committee of Property by the regulation № 64 dated 13.10.2009.

Currently the valuator must obtain the attestation certificate of qualification in order to implementation of evaluation activity. For this potential appraiser must be a natural person, permanently residing on the territory of the Republic of Belarus, with bachelor's degree in economics, law or technical science, and pass exams. Training of evaluators is engaged by universities and retraining by the State Educational Establishment «Training Center, training and retraining of land and cartographic and geodetic service».

The Decree № 615 identified two republican bodies – the State Committee of Property and the State Committee of Science and Technology, which carry out the attestation certification of appraisers, depending on the object of evaluation. Thus, the State Committee of Property provides attestation for conducting assessment of enterprises as property complexes, permanent structures (buildings), isolated premises not completed construction, land, machinery, equipment, inventory, vehicles, materials and other property. Thus, the State Committee of Property provides four types of attestations. State Committee of Science and Technology issued attestations to carry out assessments of intellectual property.

Conclusions

Thereby valuation activity in the Republic of Belarus is currently regulated by the Decree № 615 and the Regulations thereto, also by state appraisal standards and other normative legal acts of the Republic of Belarus. It should be noted that the Government of the Republic of Belarus attaches great importance to the regulation of valuation activities. So, since 2006 on the Presidential Decree № 615 «On appraisal activities in the Republic of Belarus» was made eight changes and additions. In addition, standards of the valuation of objects of civil rights and technical codes of established practice are constantly improved.

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