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Extract from the Internal Instruction on valuation for resolution purpose

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The Executive Board of the National Bank of Moldova approved the Internal Instruction on valuation for resolution purpose, which regulates the requirements, criteria and other aspects in the process of conducting assessments for resolution purposes referred to in Articles 72-83, 263-265 of the Law no. 232/2016 on the recovery and resolution of banks, as well as the selection of the independent valuer for conducting them.

The instruction addresses the topics related to:

- delimitation and definition of the different types of valuation carried out in the resolution process: the valuation that determines whether the conditions for triggering the resolution procedure have been met; the valuation that reflects the impact of resolution tools for substantiating the NBM's decision; the valuation that determines the treatment that would have been accorded to shareholders and creditors if the bank under resolution had followed a forced liquidation procedure; the provisional valuation that may be carried out in certain cases related to the urgency of the situation; the ex-post definitive valuation which aims to ensure that any losses on the bank's assets are fully recognized in the accounting records and to contribute to the substantiation of the decision to readjust creditors' claims or to increase the amount of consideration paid;
- general principles for conducting valuations as part of the resolution process, as well as specific criteria for each type of valuation;
- requirements for valuer and the criteria for them to be considered as independent valuer, as well as other aspects related to the selection and appointment of the independent valuer by the NBM.

In this regard, the provisions of the Instruction are to be applied by the NBM for the purpose of preparing the necessary documentation in the process of selecting the services of the independent valuator in order to carry out a fair, prudent and realistic valuation of the assets, liabilities and equity of the bank subject to evaluation.

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