



Professional Ethics

I. Background

1. A key purpose of the Institute is to better serve the community by promoting fair estate agency practice, recognizing that an estate agent not only owes his client fiduciary duties but also, as a member of a responsible profession, has to conduct his affairs in a responsible manner towards the community at large.
2. Only practitioners sharing the ideals of the Institute and agreeing to observe its ethical standard and practice guidelines issued from time to time (however called) will be admitted as members. On joining the Institute all members are subject to our disciplinary requirement which, if breached, may have serious consequences including removal from membership.
3. A reference to “member” in this part shall include an “associate” save that the right to appeal against removal and automatic removal are applicable to members only.

II. Ethical Standard

4. A member shall observe the common law duties of estate agents, the Code of Ethics and directives and the like issued by the Estate Agents Authority and practice guidelines and the like issued by the Institute.
5. On ethical standard, it is the view of the Institute that a *fit and proper* practitioner shall not behave in ways that may be considered unconscionable, misleading, deceptive, predatory or otherwise falling short of the standard expected of a member of a reputable profession.
6. In determining whether a member has fallen below the appropriate ethical standard we shall have regard to principles set out in codes



and guidelines for estate agents in the following jurisdictions (less any principles unreasonable for Hong Kong):

- (a) New South Wales Office of Fair Trading – (in particular the *Material Facts* section of its *Misrepresentation Guidelines*):

http://www.fairtrading.nsw.gov.au/Property_agents_and_managers/Agency_responsibilities.html

- (b) New Zealand Real Estate Agents Authority –
Consumer Information: *Code of Professional Conduct and Client Care* <http://www.reaa.govt.nz/page/publications-and-forms/>

III. Disciplinary Investigation

7. The Institute comprises like-minded practitioners volunteering their spare time for the common good. While it will strive to strike a fair balance between maintaining the high ethical standard of the Institute and the rights of a member/associate subject to discipline (“the Respondent”), it may not have the resources to carry out detailed investigation into breaches of ethical standard, much less to run an adversarial disciplinary system that statutory authorities may be able to afford.
8. The Institute will however seek to carry out investigation and accord the Respondent such right to be heard as resources permit, as outlined in the pamphlet *Discipline and Appeal Procedures*.

IV. Disciplinary Sanctions

9. Where after the disciplinary procedure an allegation against the Respondent is well found, or where he fails to adequately respond to it, the Institute may impose any or a combination of the following sanctions :
 - a. written advice
 - b. reprimand
 - c. suspension of membership for a term not over two years



d. removal from membership

10. The Institute may take into consideration all relevant material in coming to its finding, including criminal convictions, court judgments, disciplinary finding of a court or tribunal whether local or overseas, or other credible evidence.
11. The decision of the Institute or its delegate on disciplinary sanctions is final without any avenue of appeal, save that a member may appeal an order of removal to members at general meeting.
12. Membership will automatically be removed when the member's licence is revoked or suspended. Such removal is not open to appeal as a valid licence is a pre-condition for membership.

V. Notice to the Institute

13. Members are required to notify the Institute in writing within 14 days of the Estate Agents Authority exercising any powers under sections 27, 28 and 30 of the Estate Agents Ordinance Cap. 511 against him.
14. Likewise a member has to give notice to the Institute where he/she is subject to disciplinary action by another professional body whether in Hong Kong or overseas.

VI. Loss of Privileges

15. Membership fee will not be refunded or rebated if a member is suspended or removed.
16. A member who has been removed will lose all membership privileges. The Executive Committee when making the removal order may impose a minimum period within which an application for re-admission may not be considered.

[v 2010_04]