

## SUMMARY

### Real Estate (Dealers & Developers) (Code of Ethics) Regulations 1998

The objectives of the Code of Ethics, briefly stated are:

- To set out rules of professional conduct applicable to all real estate professionals;
- To ensure an acceptable level of professional competence among persons who are engaged in the practice of real estate business and land development both in their dealings with clients and among themselves

The Code of Ethics identifies fifteen areas of regulations as follows:

#### **Maintenance of an Office:**

#### **Display of Licence and Certificate of Registration:**

**Regulations 2 and 3** require every real estate dealer to maintain an office for the carrying out of the practice of real estate business, and to display the following:

- a sign bearing the name of the real estate dealer;
- his Certificate of Registration issued by the Real Estate Board;
- his current annual licence.

#### **Developer to maintain an Office:**

**Regulation 4** requires a developer to maintain an office for the purpose of carrying out a development scheme. He must clearly display his letter of Registration issued by the Board which identifies the development scheme.

#### **Professional Conduct:**

**Regulation 5** requires that a real estate dealer, salesman, developer must not engage or assist in any improper or unprofessional practice. They must:

- uphold all laws, rules and regulations relating to real estate business practice and development of land;
- avoid the appearance of professional impropriety;
- give consideration to the instructions and requirements of all clients and his employer;

- treat fairly all parties to any real estate transaction in which involved;
- respect the integrity of exclusive listings as these apply to Dealers who hold such listings.

### **Claims as to competence:**

**Regulation 6** requires a real estate dealer, salesman and developer to make only accurate claims to his competence in the areas of practice of real estate business or development of land for which they are registered or licensed to undertake.

This regulation further requires every real estate dealer, salesman and developer to maintain and improve their professional knowledge and competence and to promote public understanding of real estate business practice. It further requires every dealer, salesman and developer to discover facts pertinent to every property in which they deal in order to avoid error misrepresentation or concealment of facts affecting the transaction.

Further, a dealer, salesman and developer is required not to discourage any party to a transaction from seeking legal council, and not to promote the use of properties for unlawful purposes.

### **Clients' Money:**

**Regulation 7** requires every real estate dealer:-

- to keep proper accounts to enable the financial position between his client and himself to be clearly and accurately distinguished;
- to account to his client for all monies in hand for the account and credit of the client whenever required to do so.

### **Conflict of Interest:**

**Regulation 8** requires a real estate dealer or salesman not to provide professional services regarding property in which he has an interest, unless the approval of his client is given in writing following full disclosure of such interest to his client.

Such disclosure of interest extends to any firm or company in which a dealer or salesman is a partner or director, or where a member of his immediate family is involved.

Disclosure of status also applies to an attorney-at-law who is licensed to engage in real estate business; such an attorney must in addition disclose to his client the fact that he is a practicing attorney-at-law, and state the capacity in which he is offering his services to the client, whether as an attorney-at-law or as a dealer, or salesman.

**Financial Interest:**

**Regulation 9** restricts a real estate dealer or salesman from accepting instructions from a client in a real estate transaction on terms which may be reasonably construed as taking a financial interest in the transaction, unless he first gives written disclosure of such an interest to the vendor, and or purchaser of the property.

**Notification to client of terms and condition regarding payments of fees:**

**Regulation 10** requires a real estate dealer or salesman who acts for a vendor to inform the vendor in writing of the terms and conditions relating to the payment of his fees and expenses, which are not payable until the transaction is completed.

**Action prejudicial to practice of others:**

**Regulation 11** requires a real estate dealer not to knowingly act in a real estate transaction where a client has previously engaged another real estate dealer without first notifying the dealer, nor to knowingly engage in action which will damage the practice of a fellow real estate professional.

**Soliciting Business:**

**Regulation 12** requires a real estate dealer or salesman not to offer a gift or favour to a prospective client in order to attract work, nor to seek an unfair advantage over another real estate dealer by publicly disparaging the practice of such a dealer or salesman.

A real estate dealer or real estate salesman should not offer real estate for sale or lease without the knowledge or consent in writing of the owner or his authorised agent.

**Advertisements and announcements:**

**Regulation 13** requires a real estate dealer or developer to ensure that his advertisements comply with the Real Estate (Dealers & Developers) Act and Regulations. It further requires that a real estate dealer or developer ensures that advertisements do not contain an inaccurate statement of fact, or a comparison between the services offered by them and the services offered by other persons.

A real estate dealer must ensure that all advertisements in respect of properties include the name and address of the dealer or developer, the number of his practising licence, or developer's registration number as the case may be, as well as accuracy of facts stated.

**Notification of delay in completion of contracts:**

**Regulation 14** requires a developer to advise a purchaser under a prepayment contract of any delay in completion of a scheme within the time specified, either in an advertisement or in the contract, and to state the new expected time of completion of the scheme.

**Contracts between Salesman and Dealer:**

**Regulation 15** requires that a contract between a salesman and a dealer must take into account the provisions of the regulations contained in the Code of Ethics, and includes provisions relating to compensation payable during the contract period as well as after termination or expiration of the contract.

**Continuing Education:**

**Regulation 16** requires that all persons registered to practice real estate business to participate in courses in professional education as offered by the Real Estate Board from time to time. The Board will take into consideration participation in such courses as the basis for renewal of a licence.