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# RULES OF CONDUCT FOR FIRMS

4th JUNE 2007



RULES





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## Foreword

We are delighted to introduce RICS' new principles-based Rules of Conduct for Firms.

For the first time in RICS' history, firms will be regulated for those matters that are dealt with at firm level such as professional indemnity insurance and complaints handling procedure. These clear and simple rules are the culmination of a root and branch review of RICS' regulation. Adopting a principles-based approach has enabled us to focus on our regulatory goals and to adopt the five principles of better regulation:

- **Proportionality**
- **Accountability**
- **Consistency**
- **Targeting**
- **Transparency**

These Rules of Conduct for Firms apply to firms that RICS regulates. For firms requiring further guidance we have prepared a series of help sheets on different aspects of the rules.

We believe that these rules form a strong foundation for RICS and those firms it regulates, providing both protection for the public and upholding the reputation of the profession for many years to come.

**Teresa Graham**  
Chairman  
Regulatory Board

**James M Allan**  
Honorary Secretary



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These Rules of Conduct for Firms are made by the Regulatory Board of the Royal Institution of Chartered Surveyors (RICS) under Article 18 of the Supplemental Charter 1973 and Bye-Law 5 of RICS Bye-Laws. They shall apply from 4th June 2007.

### **Scope**

These Rules set out the standards of professional conduct and practice expected of Firms registered for regulation by RICS. These Rules do not repeat obligations placed on Firms by the general law, for example in the areas of discrimination and employment.

Not every shortcoming on the part of a Firm, nor failure to comply with these Rules, will necessarily give rise to disciplinary proceedings. However, a failure to follow any guidance associated with the Rules is a factor that will be considered should it be necessary to examine the activities of a Firm. In such circumstances the Firm may be asked to justify the steps it took and this may be taken into account.

A Firm should be guided as much by the spirit of the Rules as by the express terms.



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## Part One General Interpretation

1. In these Rules, unless the context otherwise requires:

**Providing a surveying service to the public** means acting to provide a service(s) considered by RICS to be within those which are the responsibility of RICS' Professional Groups to professional, corporate, institutional and all other clients;

**Contact Officer** means the individual designated by the Firm to be the main liaison point between the Firm and RICS and the person authorised by the Firm to submit the Firm's Annual Return;

### **"Firms means"**

- a. the whole or part of any body corporate; or
- b. a partnership; or
- c. a limited liability partnership; or
- d. an unincorporated practice of a sole practitioner concerned with the business of surveying or providing other related services, which is regulated by RICS.

## Communication

2. RICS will communicate with Firms by any of the following:
  - a. post
  - b. fax
  - c. e-mail
  - d. telephone
  - e. in person



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## **Part Two Conduct of Business**

### **Integrity**

3. A Firm shall at all times act with integrity and avoid conflicts of interest and any actions or situations that are inconsistent with its professional obligations.

### **Competence**

4. A Firm shall carry out its professional work with due skill, care and diligence and with proper regard for the technical standards expected of it.

### **Service**

5. A Firm shall carry out its professional work with expedition and with proper regard for standards of service and customer care expected of it.

### **Training**

6. A Firm shall have in place the necessary procedures to ensure that all its staff are properly trained and competent to do their work.

### **Complaints handling**

7. A Firm shall operate a complaints handling procedure. The complaints handling procedure must include a redress mechanism that is approved by the Regulatory Board.

### **Clients' money**

8. A Firm shall preserve the security of clients' money entrusted to its care in the course of its practice or business.

### **Professional indemnity insurance**

9. A Firm shall ensure that all previous and current professional work is covered by adequate and appropriate professional indemnity insurance cover which meets standards approved by the Regulatory Board.



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## **Part Three Firm Administration**

### **Advertising**

**10.** A Firm shall promote its professional services only in a truthful and responsible manner.

### **Solvency**

**11.** A Firm shall ensure that its finances are managed appropriately.

### **Arrangements to cover the incapacity or death of a sole practitioner**

**12.** A Firm which has a sole principal (ie a sole practitioner or a sole director in a corporate practice) shall have in place appropriate arrangements in the event of that sole principal's death or incapacity or other extended absences.

### **Use of designations**

**13.** A Firm registered for regulation must display on its business literature, in accordance with the Regulatory Board's published policy on designations, a designation to denote that it is regulated by RICS.

### **Information to RICS**

**14.** A Firm shall submit in a timely manner such information about its activities, and in such form, as the Regulatory Board may reasonably require.

### **Co-operation**

**15.** A Firm shall co-operate fully with RICS staff and any person appointed by the Regulatory Board.

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**Advancing standards in land, property and construction.**

RICS is **the world's leading qualification** when it comes to professional standards in land, property and construction.

In a world where more and more people, governments, banks and commercial organisations demand greater certainty of **professional standards and ethics**, attaining RICS status is the recognised **mark of property professionalism**.

Over **100 000 property professionals** working in the major established and emerging economies of the world have already recognised the importance of securing RICS status by becoming members.

RICS is an **independent** professional body originally established in the UK by Royal Charter. Since 1868, RICS has been committed to setting and upholding the **highest standards of excellence and integrity** – providing **impartial, authoritative advice** on key issues affecting businesses and society.

RICS is a **regulator** of both its individual members and firms enabling it to **maintain the highest standards** and providing the basis for **unparalleled client confidence** in the sector.

RICS has a worldwide network. For further information simply contact the relevant RICS office or our Contact Centre.

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