



**EAA updates guidelines on the conduct of promotional activities in the first sale of residential properties**

(29 June 2016) The Estate Agents Authority (“EAA”) is very concerned about the order of estate agents engaging in promotional activities at the sale sites of first-hand residential properties, particularly whether any unlicensed persons are hired to participate in such activities. To improve the order and conduct of estate agents when participating in promotional activities in the first sale of residential properties, the EAA issued a new practice circular (No. 16-02 (CR)) and briefed the representatives of trade associations on the gist of the circular at the quarterly trade liaison meeting today. The new practice circular will take effect on 1 September 2016.

The new practice circular (No. 16-02 (CR)) sets out detailed guidelines on various areas concerning the order of promotional activities at first-sale sites and will replace the relevant existing circular (No. 10-02 (CR)). One of the new areas covered in the new circular is about the activities of non-licensed staff deployed by estate agency companies at first-sale sites. If their non-licensed staff participate in promotional activities such as distributing leaflets and at the same time providing property information to prospective purchasers and/or accompanying them to inspect show flats with a view to soliciting business, they may have engaged in unlicensed estate agency work, which is prohibited under the Estate Agents Ordinance and a criminal offence.

In the event that non-licensed staff are deployed to first-sale sites, estate agency companies must take appropriate measures to ensure that no estate agency work would be carried out by their non-licensed staff. One of the measures that estate agency companies should take is to set out clear



guidelines for non-licensed staff on the type of work that they can (e.g. clerical work) and cannot undertake (e.g. providing property information other than mere distribution of leaflets containing property information to prospective purchasers; answering their enquiries related to the development; or accompanying prospective purchasers to inspect show flats with a view to soliciting business).

Furthermore, estate agency companies should ensure that members of the public may reasonably be able to differentiate between their non-licensed staff and their licensed staff at the first-sale sites. For this purpose, non-licensed staff should wear a name tag prepared by their estate agency employer, which clearly shows his/her name, photograph and the employer that he/she works for; as well as prominent words “non-licensed staff”.

Estate agency companies are also required to assign one or more than one licensed staff (as “mentors”), who must be holders of an estate agent’s licence (individual) or a salesperson’s licence with at least two years’ estate agency experience, to supervise and monitor the conduct and performance of the non-licensed staff at the first-sale sites.

The circular also reminds estate agents again that they must not be over-aggressive when conducting promotional activities, such as standing in the way of passers-by, stalking and persistent solicitation despite indication by the passers-by that they are not interested in making any purchase.

Mr Horace CHEUNG Kwok-kwan, Chairman of the Practice and Examination Committee of the EAA, said, “The EAA is very concerned about the estate agents’ practices and conduct when promoting first-hand



residential properties. We notice that certain estate agency companies will deploy a large number of staff at first-sale sites, including both licensed and non-licensed staff, which may create confusion for the public and even a chaotic situation. With the new guidelines issued in this circular, we hope that order at first-sale sites will be improved.”

Mr Cheung added, “The EAA has consulted the major estate agency companies which actively participated in the first sale of residential properties in the past few months and they are all supportive of the issuance of the circular. We have set the effective date of the circular to be in September so that the trade can have sufficient time to better equip themselves in order to comply with the requirements in the Circular.”

According to the EAA Chief Executive Officer Ms Ruby HON Yuen-ping, in order to monitor the trade’s compliance with the guidelines, the EAA would deploy manpower for compliance inspections of the first-sale sites. Estate agents who fail to comply with the guidelines set out in the circular may be subject to disciplinary actions by the EAA.

The EAA has prepared a set of relevant “Questions and Answers” and a sample name tag for non-licensed estate agency staff for the trade’s reference. The above information and the practice circular are available on the EAA’s website ([www.eaa.org.hk](http://www.eaa.org.hk)) from today onwards.

In addition to briefing the above new practice circular to the trade, other topics of mutual concern including the incident of a fraudulent vendor, the recent EAA’s E-application service for licence renewal, and the upcoming new structured certificate CPD programme, were also discussed at the trade liaison meeting today.



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