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EAA combats unauthorised transfer of clientele

(28 May 2008) The Estate Agents Authority (EAA) held a meeting today with estate agency trade associations to discuss practitioners' unlawful transfer of clientele.

Mr Anthony Wong, Director of Operations of the EAA, said after the meeting, "The EAA understands that the trade is concerned about the issue. The EAA shared views with representatives of the trade associations on how to combat the unlawful transfer of clientele. The EAA, through investigation, law enforcement and education, will strive to prevent such behaviour, which seriously damages the interests of the trade in general."

The EAA issued a practice circular last year regarding the unlawful transfer of clientele, to help practitioners become familiar with the related laws. The EAA also urged estate agency companies to put in place more preventive measures, such as enhancing the management of personnel, security of information on computers and timely reporting of any suspicious cases to the EAA.

Mr Wong pointed out that employees owe a duty of loyalty and fidelity to their employer under common law, and may be sued for damages by their employer for breach of these duties. Practitioners who transfer clients or listings belonging to their employer to another estate agency for follow-up without their employer's permission, or encourage agents of other estate agencies to transfer clients or listings to them, may have breached the Theft Ordinance or the Prevention of Bribery Ordinance.

Mr Wong also reminded practitioners that any information obtained by employees from work might be regarded as assets of their employers.

Apart from committing criminal offences for which they may be punished, the practitioners concerned may have also breached the EAA's Code of Ethics and may be liable to disciplinary action by the EAA, including the revocation of licences.

Mr Wong urged practitioners refrain from engaging in the unlawful transfer of clientele or listings so as to maintain their professional integrity.



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He further reminded employers and the management of estate agency companies that they should not handle any clientele or listings of unknown source, so as to avoid breaking the law.

In the past three years, the EAA meted out disciplinary sanctions to three estate agency practitioners involved in three cases of unlawful transfer of clientele. Two of these practitioners had their licences revoked, and the other had his licence suspended.



The EAA meets with representatives of estate agency trade associations to discuss combating the unlawful transfer of clientele.