



EAA concerned about practitioners' practices in acquisition of old buildings

(17 March 2010) The Estate Agents Authority (EAA) is concerned about the practices of estate agency practitioners who assist developers to buy up old buildings and reiterates that practitioners must comply with the law when carrying out estate agency work.

EAA Chief Executive Officer Mrs Rosanna Ure said, "The EAA attaches great importance to the conduct of practitioners. Whether practitioners are helping their clients purchase properties for self-use, investment or redevelopment, they have to comply with the Estate Agents Ordinance, its subsidiary legislation and the Code of Ethics."

According to the Code of Ethics, estate agents should refrain from activities which may infringe the law. They should provide services to clients with honesty, fidelity and integrity, and act in an impartial and just manner to all parties involved in the transaction. Estate agents should also disclose to all parties any pecuniary or other interests in relation to the property.

Mrs Ure said the EAA has zero tolerance for non-compliance and will promptly follow up any complaint regarding practitioners' malpractices in the acquisition of old buildings for their clients.

She added that the EAA recently met an estate agency which specialises in acquiring old buildings on behalf of its clients. At the meeting, the EAA reminded the agency of the relevant law and regulations and the need to establish proper systems to supervise its frontline practitioners. As the market has a number of other estate agencies involved in the acquisition



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of old buildings for their clients, the EAA will hold a forum on the subject in the next month or two to enhance the trade's understanding of the relevant legislative requirements and rules.

Mrs Ure said the EAA also plans to issue a practice circular on the issue to highlight the points to note when acquiring old buildings for clients.

Since 2009, the EAA has received two complaints against practitioners' alleged malpractices in the acquisition of old buildings for their clients and has completed preliminary investigation into one of them. The EAA Disciplinary Proceedings Section is considering whether to submit the case to the Disciplinary Committee for inquiry hearing. The other case is under investigation.

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