



EAA discusses with trade representatives the non-compliance issues

(15 August 2013) To raise the trade’s alertness to non-compliances and improve their compliance in the long run, the Administration of the Estate Agents Authority (“EAA”) exchanged views with the trade representatives on the subject at the quarterly trade liaison meeting held today.

At the meeting, the EAA Administration briefed the trade on the breaches committed by licensees last year. Most of the common breaches were relatively minor in nature. Taking the opportunity of today’s meeting with the representatives of the eight estate agency trade associations, EAA Chief Executive Officer Mr Augustine Ng appealed to the trade to rectify and improve as quickly as possible so that the trade’s professional standards could be enhanced.

Mr Augustine Ng added that the EAA would adopt a multi-pronged approach to address these “common breaches” in the trade. Apart from appealing to the trade through meetings, the EAA would also step up educational efforts through the Continuing Professional Development Scheme in a bid to raise the trade’s alertness to the breaches and improve their compliance. Mr Ng also shared with the trade the EAA Disciplinary Committee’s earlier discussion on the subject.

For the common but minor breaches, the Disciplinary Committee suggested that an estate agent would not be disciplined if he/she commits the breaches for the first time. However, any subsequent breaches within a two-year period would attract more severe sanctions.

Mr Ng said, “The EAA is always concerned about non-compliance in the trade, especially those common breaches. The EAA expects the trade to step up their efforts to address and rectify the situation expeditiously. The EAA will also bring the issue to the trade’s attention through various means.” He added that the proposed measure was still under consultation.



In this regard, the EAA and the trade had a meaningful and constructive discussion at the meeting today.

At the meeting, Mr Ng also pointed out that the EAA was concerned about estate agents allegedly violating the related regulations when they disseminated the information of first-hand residential properties recently. He reminded the trade that they must comply with the requirements stipulated in the Practice Circular when conducting promotional activities for the first sales of residential properties. The trade was also reminded that the Practice Circular on the protection of personal data has been updated. The trade must comply with the guidelines.

In light of estate agencies' recent involvement in the sales of hotel rooms and hostels for students, Mr Ng reminded the trade that the relevant sales were considered as "Collective Investment Schemes" under the Securities and Futures Ordinance. Anyone who participates in the sales of such schemes is required to obtain a licence from the Securities and Futures Commission.

Other topics concerning the trade's practice were also discussed at the meeting. The EAA Administration introduced the latest publication titled *Illustrations to Code of Ethics* to the representatives of trade associations and encouraged them to read the booklet to enhance their understanding of the *Code of Ethics*. The EAA also consulted the trade on the themes of consumer education programmes in the future.

- End -