



EAA reviews its work in the first half of 2014 and introduces its initiatives for the second half

(31 July 2014) The Estate Agents Authority (EAA) held a press conference today at which EAA Chairman, Ms Vivien Chan, and Chief Executive Officer, Ms Ruby Hon, reviewed the EAA's work in the first half of 2014 and introduced its initiatives for the second half.

According to Ms Vivien Chan, since the New Scheme for Disciplinary Cases became effective on 1 January 2014, the implementation progress has been smooth. As of 30 June 2014, a total of 46 estate agents have chosen to participate in the Scheme, representing a high participation rate of 84%. The EAA will monitor the effectiveness of the Scheme and consider whether to extend its scope to cover other non-compliances.

On the sale of first-hand properties, the EAA in the first half of 2014 has received five complaints about estate agents allegedly making loan/advancing payment to clients. Another case was also found through an inspection, and disciplinary proceedings were initiated. In this case a salesperson was reprimanded, fined \$5,000 and required to acquire 12 points under the Continuing Professional Development Scheme. The estate agency company he is employed by was also reprimanded and fined \$60,000.

Ms Chan stressed that the EAA would not tolerate estate agents' making loans/advancing payment to clients. She said, "When estate agents participate in the sale of first-hand residential properties, making any loans/advancing payments to prospective buyers, regardless of their purposes, is in breach of our guidelines and would be subject to disciplinary action by the EAA."

On the overall number of complaints, the EAA in the first half of this year received a total of 186 complaints, a decrease of approximately 28% over the same period last year. Amongst them were 23 complaints involving first sale, which is a slight increase of five cases over last year. In addition, a total of 30 licences were revoked by the EAA's Licensing Committee in the first half of this year as they were no longer "fit and



proper” to hold a licence due to various reasons.

Ms Chan also pointed out that although the licence numbers rebounded in recent months, the number of qualifying examinations candidates is still low. Thus, the overall number of licences this year might still be lower than the previous year.

Entering into the second half of 2014, the EAA will continue to monitor the practice of estate agents. In particular, the management of estate agency companies must effectively supervise and manage their business and implement effective governance measures on their employees. In this connection, the EAA will optimise the related Practice Circular to provide more detailed guidance. The EAA will educate and publicise to the trade to ensure that they understand the requirements of the Circular when it comes into effect.

On the sale of first-hand properties, the EAA will enhance the manpower and frequency of inspections if necessary and continue to take appropriate measures and corresponding special actions to ensure the trade’s compliance. The EAA will also maintain close contact with the Sale of First-hand Residential Properties Authority to keep each other informed of useful information on the practices of estate agents in the sale of first-hand residential properties.

With a view to facilitating the trade a better communication and less misunderstanding with their clients, and conveying useful information about property transactions to consumers, the EAA will send a “Consumer Education Package”, which includes a video disc, some posters and stickers, to more than six thousand estate agency shops in Hong Kong for the trade for use in their shops.



EAA Chairman Ms Vivien Chan (left) and Chief Executive Officer Ms Ruby Hon review the EAA's work in the first half of 2014 and introduce its initiatives for the second half at the press conference.



At the press conference, EAA Chairman Ms Vivien Chan (left) and Chief Executive Officer Ms Ruby Hon introduce the consumer education video disc which will be sent to more than six thousand estate agency shops in Hong Kong.

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