



**EAA Chairman comments on the case of
estate agents' offering kickbacks**

(18 June 2008) The Chairman of the Estate Agents Authority (EAA) Mr Steven Poon would like to make the following statement in response to the case of estate agency practitioners' offering kickbacks, whose sentences were passed down yesterday.

“The EAA is very concerned about the case. We attach importance to the practice and professional ethics of estate agency practitioners, as well as agencies' proper management of their staff. We are strongly against the argument that offering kickbacks is a ‘common bad practice’ in the trade and should therefore be tolerated. The Prevention of Bribery Ordinance has been in place for many years, with those involved in dishonest acts arrested and sanctioned. The EAA cannot accept anyone offering kickbacks on the pretext of strong industry competition.

“As for the kickbacks case whose sentences were given yesterday (17 June), I have already instructed the EAA Administration to take appropriate follow-up actions. If there is any suspected breach of the Estate Agents Ordinance by the estate agency and/or practitioners involved in the case, the EAA will investigate and, if substantiated, impose disciplinary sanctions according to the law.

“The EAA has, since last year, strengthened its investigatory powers. Apart from exercising the power of investigation granted by section 28 of the Estate Agents Ordinance, we have also employed senior law enforcement officers, previously with the Police and the Independent Commission Against Corruption (ICAC), to seriously tackle the so-called ‘common bad practice’, such as kickbacks, obtaining profits in transactions by dishonestly reporting offers to clients, concealing conflicts of interest, promoting sales using deceptive means, and the unlawful transfer of clientele. The EAA will continue to work closely with other law enforcement agencies such as the Police and the ICAC.

“The fact that the senior management staff of an estate agency engaged in corrupt acts is highly likely to be a clear indicator of serious deficiency in the management and corporate culture of the company. The EAA will



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pay particular attention to the ethics of management staff of estate agencies in future.”

The Estate Agents Ordinance stipulates that holders of licences (be they individuals or companies) must fulfil the “fit and proper” requirement. The EAA will consider whether a licensee or a licence applicant is no longer “fit and proper” if the individual has been convicted of any offence that involved the individual acting fraudulently, corruptly or dishonestly.

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