



CEPI European Code of Conduct and Ethical Behaviour for National Real Estate Association Members

CEPI

AVENUE DE TERVUEREN 36 BTE 2B - 1040 BRUXELLES

CEPI European Code of Conduct and Ethical Behaviour for National Real Estate Association Members

1- Preamble The activities of real estate professionals (property agents and managers) require increasingly more rigour, professionalism, in-depth knowledge in areas as varied as law, taxation, insurance, economics, accounting, building technologies, sociology, financing mechanisms, information technology, town planning, regional planning, valuation etc. Furthermore, this knowledge must be constantly updated by continued professional development.

CEPI responds to this demand for transparency, integrity and independence placed upon real estate professionals as a result of the civil, economic and social role allotted to them, and takes these self-commitment responsibilities very seriously. CEPI believes that it has established the principles of a common European Code of Conduct and Ethical Behaviour ('the Code'). The principles set out in the Code aim to ensure and to best guarantee quality of services such as, confidentiality and avoidance of conflicts of interest in the interest of the common good and the conservation of the professional inheritance for future generations.

Each national association member of CEPI is invited to translate these principles into its national code, unless it conflicts with national legislation or practices. In case of a conflict between national codes and this European set of principles or in those cases where existing national codes would appear to be stricter than the European Code, national codes will prevail as they are more targeted to the national specificities and existing national rules, habits and regulations.

2- Definitions

A Property Agent shall be understood to mean any service provider on behalf of third parties, who is acting in the interests of the latter for selling, purchasing, exchanging, renting or transferring real estate, real estate rights or business. A Property Manager shall be understood to mean any person who, habitually as his principal or secondary activity and acting on behalf of third parties, in a capacity of authorised agent or intermediary, either manages real estate or real estate rights or acts as a Property Manager for flats in multi-unit developments or in co-ownership.

3- Conduct and Ethical Behaviour

In his/her relations with clients, the real estate professional shall act with:

- 1. Independence:** He/she shall at all times act on their client's instructions and interests and conduct their profession independently and impartially, and with the highest ethical standards.
- 2. Responsibility:** He/she should act with responsibility in carrying out his/her client's instructions.
- 3. Integrity:** He/she must act with the highest integrity when dealing with their client's instructions and with other members of the public.
- 4. Discrimination:** He/she shall not discriminate on the basis of race, beliefs, age, sex, place of birth, origin or any other form of discrimination covered by the EU Charter of Fundamental Rights.
- 5. Confidentially:** He/she must act in the highest confidential manner and not disclose client's instructions to other parties that are linked in any way to the process they are under contract to carry out.

6. Self-Competence: He/she should act inside their own competence and not offer services to clients knowing this to be outside his/her own personal competence.

7. Professional Know How: He/she should use his/her professional know how and apply national laws and rules in applying this professional know how only. This can be by recognised procedures of acceptable knowledge, but it should comply with best most recent practice methods.

8. Fairness to Clients: He/she shall always as a matter of good practice complete a Terms of Engagement Contract specifying the details of the agreement to cover fees and other payments and other relevant information agreed between the parties which should also be completed in the fairest unambiguous possible way to both parties.

9. Conflicts of Interest: He/she should always disclose in writing a conflict of interest or a possible conflict of interest to his/her client and let the client decide if they still wish him/her to act out their Engagement Contract or if they wish to cancel the instruction.

10. Fraternity between colleagues: He/she shall ensure that fraternal relations with colleagues are always marked by courtesy and respect and not take the initiative of criticising the professional practices of a colleague if consulted on a matter handled by a colleague.

11. Professional Discretion: He/she shall under any, and all circumstances be required to observe absolute discretion with respect to clients and third parties, for anything to do with their Engagement Contract and shall ensure their employees act with the same reserve.

12. Payment: He/she shall not accept payment, in any form whatsoever, before contracts have been signed or in some countries before they are completed. All clients' money should be held in a separate marked client account for the sole purpose of identification of clients' money.

13. Continuing Professional Development: He/she shall continue to keep him/herself up to date on both regulation and management changes and take continuous professional development training on a yearly basis to at least the levels required by national regulations. If national regulations don't exist, then the CEPI member shall decide on the relevant amount of hours required for its own members.

14. Marketing Clients Properties: He/she shall at all times when marketing a client's property use details that are verified and known to be correct and shall not in any way attempt to over-enhance the subject property in an untruthful way to purchasers. The property manager / agent should always complete a full screening of the property he/she is dealing with (i.e. documents concerning the ownership, technical aspects, aspects of town planning, etc. ...) to inform his/her client in an objective manner.

15. Anti-Money Laundering: He/she shall be aware and acquaint themselves of Directive (EU) 2018/843 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing or any superseding legislation and carry out customer due diligence on all clients.

16. Data Control: He/she shall acquaint him/herself with the current and up to-date rules on data protection Regulations in his/her respective countries and treat all data received and held by him/her in the strictest terms under the data protection regulations of his/her own country.

17. Fair Remuneration: He/she should charge a fair commission which will enable him/her to provide a professional service to his/her clients. The commission charged must be transparent and must be relevant to the property service provided by the agent or property manager.

18. **Legislation:** He/she shall respect the relevant national laws and legislation of the country he/she operates in and shall not flout any such laws to enable them to act at an advantage to other property service providers.

19. **Insurance:** He/she should have relevant insurance in place to cover professional indemnity and civil liabilities whether necessary by law or not.

CEPI

**Avenue de Tervueren 36 bte 2
B - 1040 Bruxelles**

t + 32-2-735.49.90

f + 32-2-735.99.88

secretariat@cepi.eu