

# Rules for the Registration of Firms

Version 7 with effect from 1 April 2020

## Scope

These Rules are made by the Standards and Regulation Board in accordance with Bye-Law 2.5.1 under powers provided by Regulation 7.2.4.

They set out:

- which Firms are required to register with RICS for regulation;
- circumstances in which a Firm is eligible to apply for regulation, even though it is not required to do so;
- the procedure for registration, deregistration and appeal; and
- together with the *Rules of Conduct for Firms*, the obligations of registration.

## 1 Interpretation

In these Rules, unless the context otherwise requires:

- 1.1 Providing **‘surveying services to the public’** means providing a service or services within the meaning of Article 3 of the charter to professional, corporate, institutional and all other clients.
- 1.2 Except where otherwise stated, **‘Firm’** means:
- a a company, limited liability partnership or other body corporate;
  - b a partnership;
  - c the unincorporated practice of a sole practitioner;
  - d a practice that is equivalent to any of the above in the part of the world in which it is established;
  - e a Regulated Practice Division.
- 1.3 **‘Member’** means a chartered or non-chartered member of RICS.
- 1.4 **‘Principal’** means:
- a a sole practitioner;
  - b a director of a company;
  - c a member of a limited liability partnership or other body corporate managed by its members;
  - d a member of the management, supervisory or administrative board in any other body corporate;

- e a person holding any position that is equivalent to any of the above positions in the part of the world in which the Firm is established;
- f a person performing the functions of any of the above roles;
- g an officer or employee of the Firm who provides surveying services to the public through and in the name of the Firm. Provision of such services is not routinely subject to direct supervision by any other person, normally denoted by a person whose job title includes the word 'Partner' or 'Director'.

1.5 A **'material change'** is any change of which RICS may reasonably expect to be informed. This includes but is not limited to:

- a a significant change of Principals (whether or not RICS-qualified);
- b a significant change of non-Principal employees (RICS-qualified employees only);
- c a significant change of contact details for Firms and their offices;
- d where a Firm commences or ceases to hold clients' money;
- e where a Firm commences or ceases to provide general insurance distribution work;
- f a material breach of the Firm's regulatory and statutory obligations; or
- g any other matter that a reasonable professional would consider relevant to the work of a professional body.

1.6 **'Regulated Area A'** and **'Regulated Area B'** are defined in **Appendix A**.

## **2 Communication**

RICS will communicate with Firms by:

- a email;
- b post;
- c fax;
- d telephone; or
- e in person.

## **3 Firms required to register**

3.1 A Firm is required to register for regulation by RICS if:

- a the Firm provides surveying services to the public;
- b the Firm is operating in Regulated Area A;
- c at least 50% of the Firm's Principals are RICS Members.

3.2 RICS Members who are also Principals of a Firm that is required to register under Rule 3 must take all reasonable steps within their power to ensure that an appropriate application to register for regulation by RICS is made on behalf of the Firm.

## **4 Firms eligible to register**

- 4.1 A Firm is eligible to register for regulation by RICS if:
- a the Firm provides surveying services to the public; and
  - b at least 25% of the Firm's Principals are RICS Members.
- 4.2 A Firm is also eligible to register for regulation by RICS if it meets the requirements of Rules 4.1(a); and either:
- a the Head of Regulation is satisfied that the Firm is implementing an appropriate plan to secure compliance with Rule 4.1(b) within a reasonable period of time; or
  - b the Head of Regulation is satisfied that the Firm is appropriately supported and supervised by another RICS-registered Firm or Firms that fulfil the requirements in 4.1.

## **5 Registration of practice divisions**

- 5.1 For the purposes of this section alone, 'Firm' does not include reference to a Regulated Practice Division.
- 5.2 If:
- a a Firm provides surveying services to the public;
  - b the provision of surveying services by the Firm is the responsibility of a division, department or practice area of the Firm, which, in the opinion of the Head of Regulation, has a degree of management autonomy sufficient to ensure that the division, department or practice area is capable of meeting the obligations of registration; and
  - c the division, department or practice area of the Firm is required or eligible to apply for regulation by RICS under these Rules. the Head of Regulation may, with the consent of the Firm, register that division, department or practice area for regulation by RICS in its own capacity and in place of registering the Firm itself.
- 5.3 A division, department or practice area registered under Rule 5.2 is referred to in these Rules as a Regulated Practice Division.
- 5.4 If a Firm is required to register for regulation by RICS under Rule 3, that requirement is satisfied by the registration of one or more Regulated Practice Divisions only if the Firm provides surveying services to the public through those Regulated Practice Divisions and not otherwise.

## **6 Procedure for registration**

- 6.1 An application to register for regulation by RICS must:
- a provide information to RICS in such form as prescribed by the Standards and Regulation Board;

- b agree that RICS may share relevant information about the Firm with government or other regulatory bodies as appropriate; and
  - c agree that if RICS declines to register the Firm RICS may publish its decision.
- 6.2 Upon receipt of an application from a Firm to register for regulation the Head of Regulation may:
- a grant registration;
  - b grant registration subject to conditions; or
  - c refuse registration.

## **7 Responsible Principal**

- 7.1 A Firm that is registered or registering with RICS must at all times have a Responsible Principal.
- 7.2 A person may be appointed as Responsible Principal only if that person meets conditions A, B and C.
- 7.3 Condition A is that the Head of Regulation is satisfied that the person is appropriate to hold that appointment.
- 7.4 Condition B is that the Head of Regulation is satisfied that the person:
- a is able, through the exercise of executive leadership responsibility, to influence strategic objectives of, and significant decisions made by, the Firm; or
  - b reports directly to a person who is so able and can demonstrate they have been delegated authority by the firm to fulfil the role of Responsible Principal.
- 7.5 Condition C is that:
- a the person is an RICS Member; or
  - b the person is not an RICS Member but the Head of Regulation is satisfied that:
    - i it is impracticable for the Firm to appoint an RICS Member; and
    - ii the person selected has sufficient experience in, and understanding of, regulatory compliance activities to carry out the duties of a Responsible Principal.
- 7.6 The Responsible Principal shall take all reasonable steps to ensure that the Firm complies with its regulatory and statutory obligations including but not limited to:
- a taking reasonable steps to ensure the Firm has implemented appropriate policies, systems and controls to ensure compliance with all RICS standards and other requirements of RICS registration by the Firm, its Principals and employees, and is able to demonstrate evidence of this to RICS if required to do so;

- b taking reasonable steps to ensure the Firm has implemented systems and controls to ensure compliance with legal obligations and is able to demonstrate evidence of this to RICS if required to do so;
- c ensuring all information provided to RICS is truthful and adequate for the required purpose and that any material changes in circumstances are reported to RICS; and
- d ensuring there are processes and systems to record any failure to comply with RICS requirements or statutory obligations and making such records available to RICS if required.

7.7 The Responsible Principal, or an appropriate person designated by the Responsible Principal, whose appointment has been notified to the Head of Regulation in writing, shall be the primary regulatory contact for RICS within the Firm.

## 8 Obligations of registration

8.1 A Firm that has been granted registration for regulation by RICS shall:

- a comply with the *Rules of Conduct for Firms* and these Rules;
- b act in accordance with the obligations set out in RICS' Royal Charter and byelaws;
- c inform the Head of Regulation of any finding against it by any disciplinary or regulatory body, court or statutory authority;
- d inform the Head of Regulation of any finding of insolvency against the Firm; and
- e notify the Head of Regulation within seven days if there is a material change regarding the Firm, and provide full details.

8.2 A Regulated Practice Division that has been granted registration for regulation by RICS shall (in addition to complying with the obligations in Rule 8.1), inform the Head of Regulation if the firm operating the Regulated Practice Division is subject to:

- a any finding of dishonesty or fraud by any disciplinary, professional or regulatory body, court or statutory authority;
- b any finding of serious professional misconduct by a professional body that results in the firm being suspended or expelled from membership of that professional body; or
- c any other matter that is likely to cause substantial reputational harm to the firm's or RICS' reputation.

8.3 The Head of Regulation may exercise any of the powers in Rule 8.4 if the Head of Regulation:

- a considers that a Firm that has been granted registration would no longer be eligible to register for regulation by RICS;
- b considers that a Firm has contravened any obligation of registration set out in Rule 8; or
- c receives any notification pursuant to Rules 8.1(c) to (e) or 8.2.

8.4 The powers that the Head of Regulation may exercise in those circumstances are to:

- a take no action;

- b add or vary conditions to the Firm's registration;
- c deregister the Firm; or
- d suspend the Firm from registration..

## **9 Deregistration**

- 9.1 Unless deregistered by the Head of Regulation pursuant to Rule 8, a Firm will remain registered until an application for deregistration, submitted in the prescribed form, has been approved by the Head of Regulation.
- 9.2 Upon receipt of an application for deregistration, the Head of Regulation will, subject to Rule 9.3, deregister the Firm with immediate effect.
- 9.3 The Head of Regulation may refuse to deregister a Firm if:
- a the Firm is required to register for regulation under Rule 3;
  - b the Firm is the subject of an investigation under the provisions of Bye-Law 5;
  - c the Head of Regulation believes that the Firm may have breached the *Rules of Conduct for Firms*; or
  - d it has not paid all registration fees due and/or any fees, costs or fines levied under RICS' regulatory rules.

## **10 Review and appeal**

- 10.1 A Firm may apply for a review by the Registration Panel of the Regulatory Tribunal of any decision of the Head of Regulation under these Rules within 28 days of the decision. The Registration Panel will follow the process and procedure as set out in the Regulatory Tribunal Rules.
- 10.2 Any review under Rule 10.1 shall be a fresh consideration of the application and the powers available to the Registration Panel in such circumstances shall be the same as the powers available to the Head of Regulation under these Rules.
- 10.3 A Firm may appeal a decision of the Registration Panel in accordance with the provisions of the Regulatory Tribunal Rules.

## **11 Limits on applications for registration and Readmission**

- 11.1 The Head of Regulation may refuse to consider an application for registration by a Firm where that Firm or a Regulated Practice Division operated by that Firm:
- a has been refused registration within the previous 12 months; or
  - b has been deregistered within the previous 12 months.
- 11.2 A Firm that has been removed from registration as a result of disciplinary action:
- a may not apply for readmission for a period determined by the Disciplinary Panel that took disciplinary action; and
  - b must have an application for readmission considered by a Registration Panel in accordance with the procedures set out in the Regulatory Tribunal Rules.

## **12 Publication**

- 12.1 RICS may publish information regarding a Firm's registration status in accordance with Supplement 3 to the Sanctions Policy: Publication of Regulatory/Disciplinary Matters.

## **13 Fees**

- 13.1 A Firm that has been granted registration for regulation by RICS must pay:
- a the appropriate annual fees for registration set by the Standards and Regulation Board; and
  - b any other fees, costs or fines levied under the Regulatory Tribunal Rules.

## **Appendix A**

Regulated Area A - United Kingdom

Regulated Area B - All other areas