



STANDARDS

Questions from Rules of Conduct webinar

That were not answered on the day



Q: Do the new rules fully replace the previous 5 ethical standards?

A: Yes, the ethical principles are now incorporated into the Rules of Conduct as the basis for the individual rules.

Q: Does this have any impact on the International Ethics Standard?

A: No. RICS remains a member of the IES coalition and the new Rules implement all the IES principles.

Q: How are these Rules enforced?

Q: How will the RICS ensure that members embrace the new Rules of Conduct and examples and behaviours in relation to, say, sustainability?

A: Serious breaches of the Rules would be enforced through RICS regulatory action, either through our investigation process or the assurance process. However, our main approach to ensuring that members and firms embrace the new Rules and examples is through support, training (at APC stage and beyond) and advice. For example, for people starting new firms, we are working on advice on setting up client relationships and data handling; and there is lots of advice on sustainability through our thought leadership team.

Q: Rules of Conduct relate to our relationship with clients and the public. To what extent do we have a duty of care to the occupiers affected by our clients' decisions where we don't have a contractual arrangement.

A: The question of where a duty of care arises is a complicated one. The RICS guidance note [Risk, liability and insurance](#) provides help on the law in England and Wales about when the court will find that a duty of care exists, but the position will be different globally. Where there is an established duty of care, for example to tenants where you are managing a building on behalf of a landlord or right to manage company, or to the borrower where you are undertaking a mortgage valuation, the relevant sector specific standards will help to explain that duty. When advising a client about different available options where some options will, or may, have a negative impact on others, you should make that potential impact clear so that any decision made by the client is fully informed.

In terms of the Rules of Conduct you need to consider the obligation to be honest and act with integrity, to treat people with respect and encourage diversity and inclusion, and to act in the public interest in relation to everyone, not just clients, although the expectations will vary depending on the relationship you have.

Q: There are clearly situations when a surveyor's bill is paid by a 3rd party (such as a utilities provider). What, if any, duty is there to be transparent with the 3rd party? They are not my client where Rule 1.6 would apply.

A: The answer to this question will depend on the contract you have with your client, what both parties would reasonably expect in terms of confidentiality and disclosure, and what is necessary for you to have acted with integrity. We would suggest that you should consider this in your terms of engagement.

Q: Regarding the APC – will assessors be given a definitive level of knowledge to expect from candidates in future regarding the new RoC and professional obligations? For example, several of the obligations have other documents that expand on them including professional indemnity insurance, use of delegations and handling clients' money. How much are candidates expected to have learned regarding these individual requirements?

A: Candidates should have the level of knowledge about the Rules of Conduct and any other standards that are relevant to their role and pathway, as for assessments under the current Rules. The focus on the importance of the requirements of 'setting up in business' either as a regulated company or sole trader will continue as existing. The current six additional rules for firms are being incorporated within the new obligations for firms, and candidates will be expected to be aware of the various RICS guidance notes covering these.

Q: Have the events at the top tier of management of the RICS been addressed by these new Rules? That report was very damaging to the profession.

Q: Probably not the right forum for this but can you discuss the matter of value for money for members?

A: The recommendations of the Levitt review are separate from the Rules of Conduct and are being taken forward by Governing Council, including through a Statement of Values which

makes it clear that those working for RICS (in a staff or voluntary capacity) are held to the same standards we expect of others. Ms Levitt also recommended an independent review of governance and purpose, which is being commissioned. Governing Council is also working on a suite of measures to provide more information to members about how fees are spent and to ensure that the information from the consultation with members about value for money is being converted into actions.

Q: Would it be fair to say that the new Rule 3 is about how the services are delivered while Rule 2 is about who does provide the services?

A: Yes, that is a fair summary.

Q: With new role of the retro fit coordinator being created what is RICS take on this. It is effectively a whole house survey. <https://www.retrofitacademy.org/wp-content/uploads/2021/09/L5-Prospectus-NEW-September-2021-280921.pdf>

A: We have passed this question on to colleagues in the technical standards team to consider.

Q: Up to which grade of relationship (family member – friends) is a valuer able to proceed with a valuation report? What if the client is my uncle or a second cousin? Or a very distant family member with the same name as the valuer?

A: The assurance that valuations are an objective professional opinion (particularly those that might be relied on by, or affect the interests of third parties) is important in maintaining confidence in the profession. Therefore, valuers should be particularly careful about conflicts of interest. There is no definitive list of categories where valuers can proceed or not. The valuer should make and record a professional judgement about whether their relationship to the client is likely to affect their ability to provide an objective opinion, or might reasonably be perceived by a third party as being likely to affect their objectivity. Even where a valuer does not think there is a conflict of interest, an existing relationship should be clearly recorded so that a third party can make their own assessment.

We would usually suggest that members try to avoid doing any formal work for family members. If they disagree with your professional opinion, or dislike the outcome of your work,

this could become very difficult to deal with, with the potential for other family members to become involved, which is why it is often seen as a conflict of interest.

Q: Given the importance of D&I, should this really not be a Level 3 competency?

A: We have passed this suggestion on to our colleagues in the qualification team to consider.

Q: Not wishing to identify anyone but has the RICS had any issues with Rule 5 dealing with the consideration of health conditions during Covid pandemic?

A: Not that we are aware of although we know that the pandemic has obviously been a difficult time for businesses, and particularly smaller businesses. During 2020 RICS provided a [template locum agreement and power of attorney](#) to help sole principals ensure that arrangements were in place to protect their business if they fell ill.