

Statement of ethical principles and Rules of Conduct (combined version)

Introduction

The *Rules of Conduct* are designed to effect positive change in the built and natural environments, through promoting and enforcing the highest ethical standards in the development and management of land, real estate, construction and infrastructure. Professional ethical practice by RICS members and firms provides a foundation for effective markets, pioneers better places to live and work and is a force for positive social impact.

The *Rules of Conduct* apply to all members and firms worldwide. References to firms in this document means firms regulated by RICS. References to client in this document means anyone to whom a member or firm has agreed to provide a professional service.

The five rules provide a structure for making decisions about how to behave as a professional. Members **must** use their professional judgement in applying these principles to the situations they face in practice and firms **must** support individuals working for them to do so. The rules are primarily about professional conduct, but personal conduct may be relevant to the rules where it may damage public confidence in the profession.

This document provides examples of behaviours that would indicate a member or firm had complied with the rule. These examples are not exhaustive. For all behaviours RICS expects a member or firm to do what is reasonably possible to achieve the outcome described.

Not every breach of the rules will result in disciplinary action, and disciplinary processes are not intended to replace other processes for resolving fee disputes or compensating for poor service or mistakes. Members and firms (in particular their responsible principal) should be prepared to explain their actions and how they have complied with the rules, even if they have not followed an example behaviour.

Appendix A sets out the core professional obligations of members and firms to RICS.

This document implements the International Ethics Standards (IES), as explained in the IES implementation document on the RICS website.

Rule 1

Members and firms must be honest, act with integrity and comply with their professional obligations, including obligations to RICS.

Example behaviours

- 1.1 Members and firms do not mislead others by their actions or omissions, or by being complicit in the actions or omissions of others.
- 1.2 Members and firms do not allow themselves to be improperly influenced by others or by their own self-interest.
- 1.3 Members and firms identify actual and potential conflicts of interest throughout a professional assignment and do not provide advice or services where a conflict of interest or a significant risk of one arises, unless they do so in accordance with the current edition of *Conflicts of interest* RICS professional statement.
- 1.4 Firms have effective processes to identify actual and potential conflicts of interest, to enable appropriate decisions to be made on whether to accept work and to keep records of decisions made about actual and potential conflicts of interest.
- 1.5 Members and firms provide honest and objective professional advice and opinion based on relevant and reliable evidence, and firms have processes to ensure that directors, partners and employees are doing so.
- 1.6 Members and firms are open and transparent with clients about their fees and services.

- 1.7 Members and firms consider how their work may be used to influence third parties and act to prevent others being misled about their professional opinion.
- 1.8 Members and firms do not take unfair advantage of others.
- 1.9 Members and firms protect confidential information and only use or disclose it for the purposes for which it was provided, where they have the necessary consent to do so or where required or permitted by law.
- 1.10 Firms keep client money safe and have appropriate accounting controls.
- 1.11 Members do not misuse client money and comply with controls intended to keep it safe.
- 1.12 Members and firms do not facilitate any financial crime including money laundering, tax evasion, bribery or corruption. Firms have effective processes to prevent directors, partners or employees from doing so.

Rule 2

Members and firms must maintain their professional competence and ensure that services are provided by competent individuals.

Example behaviours

- 2.1 Members and firms only undertake work that they have the knowledge, skills, resources and experience to carry out competently.
- 2.2 Members and firms supervise any employees undertaking work for them and ensure that these employees have the necessary knowledge, skills, resources and experience to do their tasks competently.
- 2.3 Members and firms check that subcontractors have the necessary knowledge, skills, resources and experience to do their tasks competently.
- 2.4 Members and firms reflect on the effectiveness of work they have undertaken and its economic, social and environmental effects, and consider how they might do things differently in future.
- 2.5 Members maintain and develop their knowledge and skills throughout their careers, identifying development needs and planning and undertaking continual professional development (CPD) activities to address them. Firms encourage and support directors, partners and employees to maintain and develop their knowledge and skills, and check that they are complying with CPD requirements set by RICS.
- 2.6 Members stay up to date and comply with relevant legislation, codes of practice and other professional and relevant technical standards. Firms ensure that their directors, partners and employees do so.

Rule 3

Members and firms must provide good quality and diligent service.

Example behaviours

- 3.1 Members and firms understand the client's needs and objectives before accepting any professional work.
- 3.2 Members and firms agree with clients the scope of the service to be provided and its limitations, and timescales for the work.
- 3.3 Firms inform clients that they are regulated by RICS and that they may need to disclose records to RICS where required for regulatory purposes.
- 3.4 Members and firms inform clients promptly and seek their agreement where any of the terms of engagement or estimated fees or costs are changed.

- 3.5 Members and firms undertake their work in a timely manner and with due care, skill and diligence.
- 3.6 Members and firms challenge and test all information that forms the basis of their professional advice or opinion.
- 3.7 Members and firms provide the information on which their professional advice and opinion is based to clients and others to whom they owe a professional duty.
- 3.8 Members and firms communicate with clients and others clearly and in a way they can understand.
- 3.9 Members and firms ensure that any referral or introduction they make for a client is in the best interests of the client and inform clients in advance about any financial or other benefits to the member or their firm from a referral or introduction.
- 3.10 Members and firms keep proper records of their work, including their ethical decision-making, in enough detail to allow them to answer questions from clients and to allow their work to be audited for quality assurance or regulatory purposes.
- 3.11 Members and firms encourage their clients to adopt sustainable solutions that minimise harm and deliver balanced economic, social and environmental benefits.
- 3.12 Members and firms consider the risks and benefits of relevant technology.
- 3.13 Members and firms check that all data used is reliable and secure, that they have proper legal rights to use it and that, where they maintain data sets, they ensure their reliability.
- 3.14 Firms have effective quality assurance processes for their work.

Rule 4

Members and firms must treat others with respect.

Example behaviours

- 4.1 Members and firms respect the rights of others and treat others with courtesy.
- 4.2 Members and firms treat everyone fairly and do not discriminate against anyone on any improper grounds, including age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation.
- 4.3 Members and firms do not bully, victimise or harass anyone.
- 4.4 Firms use supply chains that are free from exploitation.
- 4.5 Members and firms report abusive labour practices to proper and recognised authorities if they become aware of, or suspect, them.
- 4.6 Members and firms work effectively and cooperatively with others.
- 4.7 Members and firms act in a way that encourages diversity and inclusion.

Rule 5

Members and firms must act in the public interest, take responsibility for their actions and act to prevent harm and maintain public confidence in the profession.

Example behaviours

- 5.1 Members and firms act to prevent harm to the safety of employees, clients and the public, and take responsibility for the services they provide.
- 5.2 Members and firms manage their professional finances responsibly.

- 5.3 Members and firms ensure that public statements made by the firm, or in which members are (or could be identified as) members of the profession, do not undermine public confidence in the profession.
- 5.4 Members and firms respond to complaints made against them promptly, openly and professionally.
- 5.5 Members and firms do not dissuade complainants from approaching an alternative dispute resolution provider, RICS or any other regulatory body.
- 5.6 Members and firms cooperate with investigations into complaints or concerns and provide information where it is reasonably requested, and they can do so lawfully.
- 5.7 Members and firms question practices and decisions that they suspect are not right, and raise concerns with colleagues, senior management, clients, RICS or any other appropriate person, body or organisation where they believe in good faith that it is necessary to do so. Firms provide processes to allow individuals within the firm to raise concerns with senior management.
- 5.8 Members and firms support directors, partners, employees, colleagues or clients who have acted in good faith to report concerns.
- 5.9 Members consider the effect that any health conditions may have on their competence or ability to undertake professional work and inform management or clients where they are unable to continue to undertake work competently.
- 5.10 Members and firms report suspected breaches of the *Rules of Conduct* by themselves or others to RICS.

Appendix A: Professional obligations to RICS

This appendix sets out the core professional obligations for members and firms. Additional professional obligations are found in the mandatory requirements of RICS professional statements relevant to a member or firm's practice.

The following professional obligations to RICS are mandatory for RICS members.

1. Members **must** comply with the CPD requirements set by RICS.
2. Members **must** cooperate with RICS.
3. Members **must** promptly provide all information reasonably requested by the Standards and Regulation Board, or those exercising delegated authority on its behalf.

The following obligations are mandatory for RICS-regulated firms.

1. Firms **must** publish a complaints handling procedure, which includes an alternative dispute resolution provider approved by RICS, and maintain a complaints log.
2. Firms **must** ensure that all previous and current professional work is covered by adequate and appropriate professional indemnity cover that meets the standards approved by RICS.
3. Firms with a sole principal **must** make appropriate arrangements for their professional work to continue in the event of their incapacity, death, absence from or inability to work.
4. Firms **must** cooperate with RICS.
5. Firms **must** promptly provide all information reasonably requested by the Standards and Regulation Board, or those exercising delegated authority on its behalf.
6. Firms **must** display on their business literature, in accordance with RICS' published policy on designations, a designation to denote that they are regulated by RICS.
7. Firms **must** report to RICS any matter that they are required to report under the *Rules for Registration of Firms*.