



UCEM Institutional Research Repository

Title	APC Workshop slides on ethics and professional standards, business planning, data management, accounting principles and procedures, conflict avoidance, conflict management and dispute resolution, RICS Rules of Conduct, sustainability.
Author(s)	David Hourihan, David Hourihan, David Hourihan and David Hourihan
ORCID	https://orcid.org/0000-0003-1405-3130 ; https://orcid.org/0000-0003-1405-3130 ; https://orcid.org/0000-0003-1405-3130 ; https://orcid.org/0000-0003-1405-3130
Type	Conference or Workshop Item
Publication title	
Publisher	
ISSN/ ISBN	
Publication Date	14 January 2020
Version	
DOI	
Repository link	https://ube.repository.guildhe.ac.uk/id/eprint/206/
Link to publication	

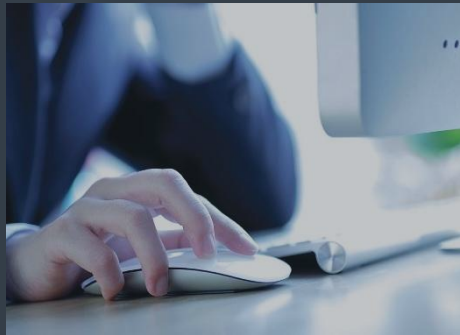
Copyright:

UCEM aims to make research outputs available to a broader audience via its digital [Repository](#). Where copyright permits, full text material held in the Repository is made freely available. URLs from GuildHE Research Repositories may be freely distributed and linked to. Please refer to each manuscript for any further copyright restrictions.

Reuse:

Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page, and the content is not changed in any way.

Ethics and Professional Standards



13 January 2020

Ethics and Professional Standards



Summary Profile



Module Leader:

David Hourihan

MSc Pro Invest FSCSI FRICS FHEA

Industry

- Chartered Surveyor and specialist in office agency, retail asset management and valuation.
- 17 years of commercial real estate experience across the UK and Ireland.
- Previous positions with international firms including JLL and Colliers International.
- Acquisition and asset management instructions for clients including Société Générale, Metzler Bank, Mobil Oil, Scottish Widows, Aviva and British Land.

Research

- Member of the Investment Property Forum (IPF) Research Steering Group.

Academia

- Completed MSc in Property Investment at UCEM in 2008.
- Programme Leader for the MSc Real Estate.
- Module Leader for 'Real Estate Investment' module on the MSc RE and BSc REM programmes.

APC

- APC Chairman for the RICS.

Contents

1. APC Requirements
2. Professional Conduct (and the law)
3. Ethics
4. Money Laundering

Ethics and Professional Standards

At the end of the workshop the students will be able to:

1. state the RICS professional and ethical standards
2. discuss the key principles that underpin each professional and ethical standard
3. explain the relevance and use of the RICS Decision tree in relation to professional and ethical standards
4. explain the key elements of money laundering legislation and its impact on surveying practice

1. APC Requirements

(See also the separate Workshop on Rules of Conduct)

Level 1

Demonstrate knowledge and understanding of the role and significance of RICS and its functions.

Also an appreciation of your personal professional role and society's expectations of professional practice and RICS Rules of Conduct and conduct regulations, including the general principles of law and the legal system, as applicable in your country of practice.

1. APC Requirements

Level 2

Provide evidence of practical application in your area of practice, being able to justify actions at all times and demonstrate personal commitment to the RICS Rules of Conduct, ethics and RICS 5 professional and ethical standards.

Level 3

Provide evidence of application of the above (levels 1 and 2)

2. Professional Conduct (and the Law)

Professional conduct is the field of [regulation](#) of members of [professional bodies](#), either acting under [statutory](#) or [contractual](#) powers.

Historically, professional conduct was wholly undertaken by the private professional bodies, the sole legal authority for which was of a contractual nature. These bodies commonly established [codes of conduct](#) and [ethical codes](#) for the guidance of their members.

In certain areas, where the [public interest](#) is considered to be heavily engaged, [legislation](#) has been enacted, either replacing professional regulation by statutory legislation, or by a form of supervision of the professional body by a statutory body.

Source: Wikipedia [Accessed: 07/01/20]

2. Professional Conduct (and the Law)

In the United Kingdom, where a professional body is a [public body](#) within the meaning of the [Human Rights Act 1998](#) (such as is the case with [medicine](#), the [legal profession](#), and [financial services](#)), its professional conduct machinery must conform to the [European Convention on Human Rights](#).

3. Ethics

What are Ethics?

My ethics are the rules or standards governing the conduct by which I live my life and make all my decisions. One of the best ways of thinking about ethics is to take a quick look at what you believe and then think about how you would react when those beliefs are challenged.

Your ethics govern your thought process so that when a problem arises or you need to try and work your way through a situation your solution is based on your ethics.

3. Ethics

What is wrong with everybody having their own ethics?

What is the challenge for the RICS?

THERE IS A 50% CHANCE THAT YOU WILL BE ASKED TO NAME THE FOLLOWING (NEXT SLIDE) PROFESSIONAL AND ETHICAL STANDARDS AT THE FINAL INTERVIEW

3. Ethics

The RICS's Global Professional and Ethical Standards

1. Act with integrity
2. Always provide a high standard of service
3. Act in a way that promotes trust in the profession
4. Treat others with respect
5. Take responsibility

3. Ethics

Exercise (15 minutes)

Split up into 5 groups.

Each group take a Standard:

1. Act with integrity
2. Always provide a high standard of service
3. Act in a way that promotes trust in the profession
4. Treat others with respect
5. Take responsibility

Each Group to provide as many examples as possible as to what their allocated standard means – for example, under integrity, one example could be “not accepting gifts or bribes”.

The answers are on the following slides.

3. Ethics

1. Act with Integrity

What does it mean?

Being honest and straightforward in all you do:

- Being trustworthy
- Being open and transparent
- Respecting confidential information
- Not taking advantage of a client/colleague/third party
- Not allowing bias
- Raising conflicts of interest
- Not offering or accepting gifts
- Acting consistently

3. Ethics

2. Always provide a high level of service

What does it mean?

Provision of the best possible advice, service, support etc in respect of your agreed terms of engagement:

- Be clear about the service to be provided
- Act within your scope of competence; if the requirements are beyond this then tell the client; bring in expert help if necessary
- Be transparent about fees
- Communicate to your client in a way that will allow them to make informed decisions
- If you use the services of others, pay them on time
- Encourage your firm to put the fair treatment of clients at the centre of their business culture

3. Ethics

3. Act in a way that promotes trust in the profession

What does it mean:

Promote you, your firm and the profession in both private and public life in a professional and positive way:

- Promoting what you and the profession stand for
- Understanding that being a professional is about how you behave in public and in your private life
- Understanding how your actions affect others and the environment
- Do what you say you will do
- Try to meet the spirit of the standards and not just the letter of the standards

3. Ethics

4. Treat others with respect

What does it mean?

Treating people with courtesy, politeness and consideration regardless of race, religion, size, age, country of origin, gender, sexual orientation or disability. It also means being aware of cultural sensitivities and business practices:

- This includes clients, potential clients and everyone else you come into contact with
- Never discriminate against anybody for whatever reason
- Encourage your firm to put the fair and respectful treatment of clients at the centre of their business culture

3. Ethics

5. Take Responsibility

What does it mean?

This means being accountable for your actions – don't blame others if things go wrong. If you suspect something is not right be prepared to do something:

- Always act with skill, care and diligence
- If a complaint is made against you then respond in an appropriate and professional manner and aim to resolve the matter to the satisfaction of the complainant as far as you can
- If you think that something is not right be prepared to question that and raise the matter as appropriate with your colleagues, firm, RICS or with any other appropriate person, organisation etc

RICS Ethics Decision Tree

Lets now look at the Decision Tree

<https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/standards-of-conduct/ethics-decision-tree-rics.pdf>

4. Money Laundering Regulations 2017

What are these:

The “Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017”

What are they for:

To prevent the laundering of illegally gained money into legitimate enterprises and to prevent the funding of terrorism

4. Money Laundering Regulations 2017

What you need to do:

- Conduct a risk assessment to identify and assess the risk of money laundering and terrorist financing that your firm faces
- Create and Implement systems, policies, controls and procedures to address money laundering and terrorist financing risks
- Provide training to staff
- Comply with separate requirements when doing business with Politicians
- Ensure your record keeping, data protection systems etc meet the requirements
- Comply with separate requirements if you are a Trustee of a Trust

4. Money Laundering Regulations 2017

Red Flag Indicators

If the client:

- is secretive or evasive about who they are, the beneficial owner, the source of funds, the reason for the transaction etc
- uses an intermediary, or does not appear to be directing the transaction, or appears to be disguising the real client
- avoids personal contact without good reason
- refuses to provide information about the transaction
- has criminal associations
- has unusually high level of knowledge about money laundering processes
- is a PEP (politically exposed person) or subject to sanctions

4. Money Laundering Regulations 2017

Red Flags (cont'd)

If the parties:

- or their representatives reside in, or are incorporated in, a high-risk country (Algeria, Ecuador, Ethiopia, Indonesia, Myanmar, Pakistan, Syria, Turkey, Yemen, Iraq, Iran, and North Korea)
- to the transaction are connected without an apparent business reason
- have connections of a family or other business nature which causes doubts as to the real reason for the business
- appear multiple times in transactions over a short period of time
- executing the transaction are unusual, e.g. if they are under legal age or there is no logical explanation for their involvement, are a director or representative which does not appear suitable for any reason e.g. age

4. Money Laundering Regulations 2017

Red Flags (cont'd)

If the source of funds for the transaction is unusual such as:

- large cash payments
- unexplained payments from a third party
- client doesn't appear to have the means to pay/fund the transaction according to their legitimate income source
- loans from non-institutional lenders
- use of corporate assets to fund private expenditure of individuals use of multiple accounts or foreign account

4. Money Laundering Regulations 2017

Red Flags (cont'd)

If the transaction has unusual features such as:

- size, nature, frequency or manner of execution
- early repayment of mortgages/loans
- short repayment periods for borrowing
- an excessively high value is placed on assets/securities
- it is potentially loss making
- involving unnecessarily complicated structures or steps in transaction
- repetitive instructions involving common features/parties or back to back transactions with assets rapidly changing value

4. Money Laundering Regulations 2017

Red Flags (cont'd)

If the transaction has unusual features such as:

- the transaction is unusual for the client, type of business or age of the business
- unexplained agency, requests for short cuts or changes to the transaction particularly at the last minute
- use of a Power of Attorney in unusual circumstances
- no obvious commercial purpose to the transaction
- instructions to retain documents or to hold money
- abandoning transaction and/or requests to make payments to third parties or to back source monies passing directly between the parties

4. Money Laundering Regulations 2017

If the instructions are unusual for your business such as:

- Outside you or your firm's area of expertise or normal business, or if client is not local to you and there is no explanation as to why your locality has been chosen
- willingness of client to pay high fees
- unexplained changes to legal advisers
- the client appears unconcerned or lacks knowledge about the transaction

If there are geographical concerns such as:

- unexplained connections with and movement of monies between other jurisdictions
- Connections with jurisdictions which are subject to sanctions or are suspect because drug production, terrorism or corruption is prevalent or there is a lack of money laundering regulation

4. Money Laundering Regulations 2017

- **All the above may indicate a reason to suspect money laundering.**
- **Speak to your senior company representatives if in doubt.**
- **Follow company procedures.**
- **Obtain legal advice.**
- **Be prepared to walk away - if not you could be endangering your company's reputation and possible future existence.**

Ethics and Professional Standards

Case Studies

Group Exercise (30-40 minutes)

PR will hand you hard copies of the Case Studies on the day.
They are numbered A-E

Split the audience into groups separating out Valuers (Case Study A) and QS's (Case Study D), create 3 other groups for B, C and E (suitable for any Pathway)

Hand each group the small slip with the question on it plus they need a large piece of paper plus pen from the flip chart. Ask the group which of the Ethical Standards apply and why. Each group nominate a Spokesperson and scribe (same person). After giving them 15 mins the spokesperson from each group comes to the front of the room with the piece of paper and explains the answers they have. You, the presenter will have to read out the question for the entire audience and you have the answers which you can go through.