

**BARBADOS ESTATE AGENTS AND VALUERS ASSOCIATION INC.
AGENT CODE OF ETHICS AND STANDARDS OF PRACTICE**

Date Prescribed:

This Code of Ethics is prescribed by the Real Estate Agent Council pursuant to and in accordance with and shall be read in conjunction with the By-Laws of the Barbados Estate Agents and Valuers Association Inc.

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BEAVA INC. AGENT CODE OF ETHICS AND STANDARDS OF PRACTICE

The practice of Real Estate Agents of the Company shall be governed by this Code of Ethics and these Standards of Practice which may be amended from time to time.

A. DEFINITIONS

In this Code of Ethics, unless the context otherwise requires, or except as otherwise defined herein, capitalised terms used in these rules shall have the meanings ascribed to such terms in the By-Laws.

“Cooperating Member” means a Member who introduces a buyer to a listing of another Member and who is further involved so as to become the procuring cause of sale to that buyer;

“Listing Agent” means the Member who holds a signed listing agreement to sell the property by the vendor

“Real Estate Agent” means Broker, Salesperson or Trainee Salesperson as admitted under the Real Estate Agent Rules

B. BROKERS, SALESPERSONS AND TRAINEE SALESPERSONS

PART I

DUTIES TO THE PUBLIC

- 1.0 The Real Estate Agent shall be careful at all times to present a true picture in his or her advertising and representations to the public. It is his or her duty to protect the public against fraud, misrepresentation and unethical practice in connection with real estate transactions.
- 2.0 A Real Estate Agent should not testify in Court to the value of a property unless he or she has prepared a formal appraisal of the property and is recognized as a qualified valuer under BEAVA in accordance with the Rules set out by the Valuers Council.
- 3.0 A Real Estate Agent shall not advertise free valuations of property, but are permitted to complete comparative market analysis using market evidence to provide opinions on pricing for the purposes of assisting in sales. Such opinions should not be held out to be appraisals of the property.
- 4.0 The Real Estate Agent shall advise the vendor when a property is being listed with several Real Estate Agents that the price should be uniform and that in the event of any price change all Brokers involved must be advised in a timely manner.
- 5.0 When advertising unlisted property for sale/lease in which he or she has an ownership interest, the Real Estate Agent shall disclose his or her status as both owner/landlord and as a Real Estate Agent.

PART II

DUTIES TO CLIENTS AND CUSTOMERS

- 6.0 In addition to listing a property, a Real Estate Agent shall represent the vendor/landlord throughout the process and shall provide substantive services to the vendor/landlord, including but not limited to the following:**
- 6.1. advising the vendor/landlord as the appropriate recommended asking price for his or her property;
 - 6.2. advising the vendor/landlord on preparing his or her property for showing;
 - 6.3. coordinating and assisting in the scheduling of all showings of the property and being personally present at the showings, if requested to do so by the vendor/landlord or by the Cooperating Member;
 - 6.4. negotiating and/or reviewing with the vendor/landlord the terms and provisions of all written offers and counter-offers;
 - 6.5. assisting the vendor/landlord in matters related to the closing of the transaction.
- 7.0** When representing a buyer, vendor, landlord, tenant or other client the Real Estate Agent pledges himself to protect and promote the interests of his client. This obligation to client is primary, but does not relieve the Real Estate Agent of his obligation to treat all parties honestly. When serving a buyer, vendor, landlord, tenant or other party in a non-agency capacity, the Real Estate Agent remains obligated to treat all parties honestly.
- 8.0** The Real Estate Agent who is a Member of BEAVA , Inc. is bound by the duties imposed by its Code of Ethics.
- 9.0** It is the duty of the Real Estate Agent to be well informed of current market conditions in order to be in a position to advise his or her clients on the fair asking price according to current market evidence and condition.
- 10.0** In attempting to secure a listing, a Real Estate Agent shall not deliberately mislead the owner as to realistic asking prices.
- 11.0** A Real Estate Agent shall not undertake to provide professional services concerning a property or its value where he or she has a present or contemplated interest, unless such interest is specifically disclosed to all affected parties and in selling properties he owns, or in which he or she has any interest, a Real Estate Agent shall reveal his or her ownership or interest in writing to the purchaser's representative.
- 12.0** The Real Estate Agent may represent the vendor/landlord and buyer/tenant in the same transaction and be paid a commission by both only after full disclosure to and with the informed consent of both parties.
- 13.0** The Real Estate Agent shall not submit or advertise property without authority, and in any offering, the price quoted must be that agreed on with the owner as the offering price. The Real Estate Agent shall advise the vendor that when listing a property with several Real

Estate Agents they must all be informed of the price and that if there is any price change all Real Estate Agents must be informed in a timely manner.

- 14.0 The Real Estate Agent must ensure in all cases that he or she has a signed listing agreement between the authorized vendor and himself for his firm. The Real Estate Agent may use a sole listing agreement in cases where only one Real Estate Agent is authorized to offer the property for sale, but the owner may sell directly to a purchaser with no obligation to pay commission to the sole Real Estate Agent.
- 15.0 The Real Estate Agent may use an exclusive listing agreement when he or she is the only Real Estate Agent authorized to sell the property and the vendor must pay the agreed commission to the said Real Estate Agent regardless of whether he or she sells the property or gives it away.
- 16.0 In accepting a listing of a property, the Real Estate Agent pledges himself or herself to be fair to the purchaser and tenant, as well as to the owner whom he or she represents and whose interests he or she should protect and promote as he or she would his or her own.
- 17.0 The Real Estate Agent shall not be a party to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.
- 18.0 The Real Estate Agent shall not accept compensation from more than one party without the full knowledge of all parties to the transaction.
- 19.0 For the protection of all parties with whom he or she deals, the Real Estate Agent shall ensure that all agreements related to real estate transactions including, but not limited to, listing and representation agreements, purchase contracts and leases, are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties.
- 20.0 The acceptance by a Real Estate Agent of a listing imposes the obligation of skilled and conscientious service. If a Real Estate Agent is unable to render such service, he or she should not accept the listing.
- 21.0 Neither instructions nor inducements from any client or customer should relieve the Real Estate Agent from his or her responsibility to observe strictly this Code of Ethics.

22.0 CLIENT'S FUNDS REQUIREMENTS

- 22.1. A **Real Estate Agent** shall not receive a client's funds for the sale of property. The client shall be advised to pay such funds directly to the client's attorney-at-law.
- 22.2. A **Real Estate Agent** who receives a client's funds for rental or management of a property shall place the funds in an account designated a non-interest bearing "client's account" by the end of the business day following receipt.
- 22.3. The client's account referred to at (2) shall not be commingled with other funds of the **Real Estate Agent**.
- 22.4. A client's funds shall not be available for payment of a personal debt or liability of the **Real Estate Agent**.

22.5. The Committee of Management shall determine the penalty for a **Real Estate Agent** who misuses a client's funds.

22.6. A **Real Estate Agent** who is found guilty under the Laws of Barbados for misappropriation of a client's funds shall be immediately expelled.

PART III

DUTIES TO FELLOW REAL ESTATE AGENTS

- 24.0** The Real Estate Agent shall seek no unfair advantage over his fellow Real Estate Agents.
- 25.0** The Real Estate Agent shall not solicit the services of an employee or sales agent in the organization of a fellow Real Estate Agent without the knowledge of his or her employer.
- 26.0** A Real Estate Agent shall not seek information about a competitor's transaction for the purpose of closing a transaction himself or diverting a customer to another property.
- 27.0** A Real Estate Agent shall carry on negotiations concerning property which is listed with one (1) Real Estate Agent with the Listing Agent and not with the vendor directly.
- 28.0** In the event the vendor or landlord contacts a Real Estate Agent directly after another Real Estate has sub listed the same property with him or her, then the Real Estate Agent must advise the primary Real Estate Agent of the situation as soon as possible.
- 29.0** The Real Estate Agent shall not engage in any practice or take any action inconsistent with exclusive representation agreements which other Real Estate Agents have with clients.
- 30.0** The agency of a Real Estate Agent who holds an exclusive listing must be respected. A Real Estate Agent cooperating with a Listing Agent must not invite the cooperation of a third Real Estate Agent without the consent of the Listing Agent.
- 31.0** The Real Estate Agent shall cooperate with other Real Estate Agents in relation to property listed by him or her exclusively whenever it is in the interest of the client, sharing commissions on a previously agreed basis. Negotiations concerning property listed exclusively with one Real Estate Agent must be carried on with the Listing Agent and not with the owner, except with the consent of the Listing Agent.
- 32.0** The Listing Agent and the client must agree on the commission. The Listing Agent appoints the sub-agent and by agreement sets out the amount of the fee to be shared. In general, 50% of the Listing Agent's fee must be shared with the sub-agent but this can be changed by agreement. If no contrary agreement exists and the Listing Agent agrees to work with the sub-agent then it will be assumed that the terms are 50% of the fee.

Penalties for breach of duties of Real Estate Agents – re non-payments of sub-commissions

- 1st offence: a fine not exceeding Bds\$2400.00
- 2nd offence: suspension for a period not exceeding three (3) months
- 3rd offence: expulsion

PART IV: SELLING REGULATIONS

33.0 SHOWINGS

- 33.1** The Real Estate Agent must have written authorization from the vendor for a direct listing to show or advertise the property. The vendor must be advised to provide reasonable access for showing the property, with appropriate notice being given by the Real Estate Agent. Where the property is tenanted, the Real Estate Agent must confirm with the vendor that the tenant has been duly notified. The Real Estate Agent is charged with identifying the name of the client/prospective purchaser to the Listing Agent prior to obtaining an appointment for viewing.
- 33.2** The Real Estate Agent shall ascertain from prospective purchasers/tenants whether they have already viewed properties with another agent, in order, if possible, to identify properties which may have already been seen by the purchaser and in order to avoid two or more Real Estate Agents showing the same property.
- 33.3** In the event that the purchaser has already been shown a specific property then commissions and/or a referral fee must be shared with the Real Estate Agent who first showed the property to the purchaser. This provision is null and void:
- (a) in the case of a resident purchaser, if a period of six months between showings elapses;
 - (b) in the case of a non-resident purchaser, if a period of six months between showings elapses.
- 33.4** **Showings and Negotiations:** Appointments for showing and negotiations with the vendor for the purpose of listing shall always be conducted through the Listing Agent except when the Listing Agent **has no** specific authority to show the listed property.
- 33.5** **Showing by two different agents:** If any Real Estate Agent becomes aware that the prospective buyer/tenant he is showing a property to has been previously shown that property by another Real Estate Agent, he may not continue negotiations unless he is satisfied either through reference to the other Real Estate Agent or by other means that:
- (a) a written offer was not made; or
 - (b) dealings and negotiations have not reached the stage where substantially the terms and conditions of the sale/rental have been agreed or
 - (c) the previous transaction is at end
- 33.6** If the Real Estate Agent Council is convinced that the buyer/tenant and vendor/landlord dealing had been settled and documentation was imminent, and the committee is also certain that the claiming **Real Estate Agent** was prevented from completing the sale by the actions of the selling/renting **Real Estate Agent**, then the total commission, or any proportion of the commission, may be awarded to the claiming **Real Estate Agent**.

PENALTIES

(a) A Real Estate Agent showing a property without the consent of the Listing Agent shall be subject to the following penalties:

1st offence: a fine not exceeding Bds \$600.00

2nd offence: a fine not exceeding Bds\$1200.00

3rd offence: fine not exceeding Bds\$2400 and/or suspension for a period not exceeding three (3) months.

(b) A Real Estate Agent conducting negotiations with the vendor directly without the consent of the Listing Agent shall be subject to the penalties listed below. Should the Listing Agent be present at a showing by another Cooperating Agent there must be no attempt by the Listing Agent to develop a relationship with the other Cooperating Agent's prospective buyer.

1st offence: a fine not exceeding Bds\$1700.00

2nd offence: a fine not exceeding Bds\$2400.00

3rd offence: expulsion

34.0 OFFERS

34.1 Submission of Written Offers: The Listing Agent shall submit to the vendor/landlord all written offers and counter-offers received prior to the time the vendor/landlord accepts an unconditional offer or a conditional offer becomes unconditional, unless this obligation has been waived by the vendor in writing. The Listing Agent shall not continue to market the property after the vendor accepts an unconditional offer or a conditional offer becomes unconditional. The Listing Agent shall ensure that the vendor/landlord is aware of implications of accepting any subsequent offers except where the acceptance is subject to the termination of the pre-existing purchase contract. At the request of the Real Estate Agent representing the purchaser, the Listing Agent shall provide written confirmation that the offer has been presented and bears the signature of the vendor/landlord.

34.2 Presentation of Offers

(a) The Listing Agent shall make arrangements to present the vendor/landlord with any written offers communicated to him through a Cooperating Agent within one business day, or give the Cooperating Agent a written explanation for not doing so.

(b) At the request of the Cooperating Agent, the Listing Agent shall provide written confirmation bearing the signature of the vendor/landlord that the offer has been presented.

A Real Estate Agent who fails to submit or present an offer to the vendor/landlord as provided by the Code of Ethics and Standards of Practice shall be subject to the following penalties:

1st offence: a fine of Bds\$1200.00

2nd offence: suspension for a period not exceeding three (3) months

3rd offence: expulsion

34.3 Confidentiality of Offers: The Listing Agent shall not disclose offers to anyone other than the vendor/landlord.

A Listing Agent who discloses offers to anyone other than the vendor/landlord shall be subject to the following penalties:

1st offence: a fine of Bds\$2500.00

2nd offence: suspension for a period not exceeding three (3) months

3rd offence: expulsion

34.4 Multiple Offers on the Same Property

In the case of multiple offers on the same property, a Real Estate Agent shall be directed by the following guidelines.

1. All offers regarding the property which are received by the Listing Agent (as the vendor/landlord's agent) are the property of the Listing Agent. The Listing Agent has a fiduciary responsibility to transmit all such offers presented to him to the vendor/landlord.
2. The presence of a counter-offer does not alter this responsibility. A counter offer in effect revokes the original offer and no continuing negotiation invalidates the listing Real Estate Agent's fiduciary responsibility as described above.
3. In the event a counter offer had not been accepted by a buyer/tenant and the property is still available within the time for valid acceptance, the Listing Agent shall within such time as is reasonable in the circumstances, provide notice to any other Real Estate Agent representing a potential buyer/tenant who has submitted an offer, of any changes in the status of negotiations.
4. The Listing Agent shall advise all Real Estate Agents of offers if there are other offers presented to the vendor/landlord.
5. A Real Estate Agent shall not advise a buyer or any other person or party that there are currently other offers on property, where no such other offers exists.

34.5 Reporting Requirements among Members: A Real Estate Agent who has received an offer or counter-offer from any other Real Estate Agent shall, upon request, provide to the other Real Estate Agent a written report on any change in the status of negotiations in progress relating to that offer within such time as is reasonable in the circumstances.

34.6 Disclosure of Beneficial Interests: If a Real Estate Agent has a beneficial interest in a transaction other than solely in his capacity to earn a real estate commission, that Real Estate Agent shall disclose such interest by way of a written memorandum to the vendor/landlord and the buyer/tenant at the earliest opportunity; and shall obtain a signed acknowledgement of receipt from the vendor/landlord and the buyer/tenant.

A Real Estate Agent failing to disclose in writing a beneficial interest as stipulated in this section shall be subject to the following penalty:

1st offence: expulsion

35.0 SIGNAGE

35.1 No sign should be placed on any property by a Real Estate Agent without the consent of the vendor or Listing Agent.

35.2 Prohibitions re “For Sale/For Rent” Signs: Unless the Listing Agent and the vendor/landlord agree otherwise, only the “for sale/rent” signs of the Listing Agent of a property listed for sale may be placed on a property. In cases where the Listing Agent is changed, the new Listing Agent should contact any other Real Estate Agents with signs on a subject property for removal. A new Listing Agent may remove the sign of the previous Listing Agent after given written notice and return the sign to the previous Listing Agent’s office. It is the responsibility of each Member to pick up their own signs. All signs shall be removed within 3 days from the time the property has been withdrawn, cancelled or the expiration of a listing. The Listing Agent may leave his sign up at a sold property up to 30 days after settlement if acceptable to the vendor/landlord.

35.3 Other Signage: Only the signage of the Listing Agent shall be placed on a property until expiration date of the listing Agreement, except with the prior written consent of the Listing Agent. All signs shall be removed within 30 days of completion of sale or within 7 days of notification from the new owner, whichever is sooner.

35.4 It is not in the best interest of the client for more than two signs identifying property for sale or rent to be displayed at any one time. In cases where there is no exclusive agent or multiple agents have been given authority to erect signage then the following options are recommended –

- (a) one shared sign be erected containing as many as four Members
- (b) by agreement no sign is erected
- (c) a standard “FOR SALE – CONTACT ANY BEAVA INC. agent is erected
- (d) the vendor determines which sign is erected.

PENALTIES

A Real Estate Agent placing a sign on a listing without the approval of the Listing Agent or vendor shall be liable to the following penalty:

A fine of BDS\$600.00 per offence.

A Real Estate Agent failing to remove a sign as stipulated above shall be liable to the following penalty:

A fine of BDS\$1200.00 per offence

36.0 ADVERTISING

- 36.1** The Real Estate Agent shall not submit or advertise property without the authority of the vendor and a Real Estate Agent should act only on behalf of a vendor who owns a property or who otherwise is legally entitled to sell or lease the property.
- 36.2** The price at which a Real Estate Agent offers a property shall not be different from that which the vendor has freely and openly agreed to ask.
- 36.3** The Real Estate Agent shall not advertise or permit any person employed by or affiliated with him to advertise listed property without disclosing the name of the firm. He should also not permit his employees to use individual names or telephone numbers, unless a employee's connection to the Real Estate Agent is obvious in the advertisement.
- 37.0** BEAVA Inc. recognizes the right of its Members to engage in the personal solicitation of clients and business in a manner that does not offend the legitimate interests of the public and the profession. Hence, BEAVA Inc. prohibits personal solicitation only when it violates the standards set for advertising in general.
- 38.0** It is unethical for a Member to advertise using laudatory statements or superlatives to describe their services. Claims of superiority in respect to services rendered are not acceptable.
- 39.0** Any matter related to misleading advertising that is brought to the attention of the Real Estate Council, will be reviewed without need for registration of a formal complaint to BEAVA Inc. The lack of formal complaint by Members of the public or by other BEAVA Members, as well as the use of a corporation, partnership or other business entity (or multiple entities) will not shield a Member from the ethical requirements of BEAVA Inc. Even if the name of the Member is not mentioned directly, it is unethical for a Member to knowingly permit a business entity that is wholly or partially owned or controlled by such Member to solicit real estate business in a manner that is misleading or otherwise contrary to the public interest and/or the Standards.
- 40.0** BEAVA Members may only advertise a property if they are the Listing Agent or a duly appointed sub listing agent and if such Advertising has not been restricted at the request of the vendor.

C: PROPERTY MANAGERS

DUTIES TO CLIENTS AND CUSTOMERS

PM Standard of Practice 1.1

When acting as a property manager should not accept a commission, rebate or profit on expenditure made for the owner without the owner's full knowledge and consent.

PM Standard of Practice 1.2

The property manager, consistent with the terms and conditions of his real estate licence and his property management agreement, shall competently manage the property of his client with due regard for the rights, safety and health of tenants and others lawfully on the premise.

PM Standard of Practice 1.3

The property manager who is employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect the client against reasonably foreseeable contingencies and losses.