INTERNATIONAL ETHICS STANDARDS

Bringing consistency to a global audience

BY ERIC FINN, ESQ.

In many parts of the world, there is a perception, if not a reality, that a lack of ethics exists within the real property profession. And even when ethical codes do exist, there is limited enforcement. As a result, the general public is often unaware as to how to identify practitioners who adhere to appropriate standards of professional conduct.

While numerous professional organizations have based their standards on common principles such as integrity, transparency and trustworthiness, there is no single standard to which we all subscribe. By not having a united voice and consistent set of ethical principles, we are unable to provide the international market with a clear set of standards to which we all work and can be held accountable, as professionals.

An International Standard

This past October, organizations from around the world representing property and related professional services met at the United Nations in New York to establish the International Ethics Standards Coalition. The Coalition, which is made up of leading professional bodies from Asia, Europe, Oceania, as well as North and South America, aims to develop and implement the first principles-based industry-wide ethics standards for property and related professional services. The Coalition is being administered and coordinated in London by the Royal Institute of Chartered Surveyors (RICS).

Member organizations of the Coalition, many of which already have their own codes of conduct, will seek to align fundamental ethics principles through the new international standard. The ultimate goal is that professionals will undertake their work in an ethically consistent way, regardless of where in the world they are located or the nature of their work. The new standards are being planned for an early 2016 release.

Organizations that participated at the United Nations meeting include:

- La Asociación Espanola de Analisis de Valor (AEV - Spain)
- American Institute of Architects (AIA – U.S.)
- American Society of Appraisers (ASA - U.S.)
- Appraisal Foundation (TAF - U.S)
- Asociación Profesional de Sociedades de Valoración (Spain)
- Counselors of Real Estate (CRE - U.S)
- German Property Federation/Initiative Corporate Governance (Germany)
- International Consortium of Real Estate Associations (ICREA - Switzerland)
- Institute of Real Estate Management (IREM - U.S)
- International Real Estate Federation (FIABCI - France)
- International Right of Way Association (IRWA - U.S.)
- Royal Institute of British Architects (RIBA – U.K.)
- Royal Institution of Chartered Surveyors (RICS – U.K.)
- São Paulo State Housing Syndicate (SECOVI-SP - Brazil)
- Russian Society of Appraisers (RSA - Russia)

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In preparation for the October meeting, FIABCI reached out to its members for feedback on a variety of subjects that have ethics implications. For example, at what point does the scale of hospitality begin to look like a bribe? In some parts of the world it is still normal to pay a small amount of money, perhaps to a local official, to help a permit application on its way. Should property professionals decline to do so, even if everyone else does and even if it means that you cannot do business at all in the particular area? Should the International Ethics Standards incorporate a "zero tolerance of corruption" approach, regardless of the scale? Other questions involved discrimination and determining how the new international code can reconcile different national and local customs, religious convictions and social conventions when formulating standards to be applied everywhere.

A Collaborative Effort

As of late November 2014, a total of 29 international organizations have signed declarations indicating that they will be founding members of the Coalition. ASA, FIABCI and RICS will work to produce a draft set of bylaws for consultation with the group. The Coalition will be governed by a group of trustees, and each Coalition member will put forward a trustee and a deputy.

In March 2015, the trustees will appoint a Standards Setting Committee comprised of international experts whose main work is in the ethics field. The committee will undertake a review of existing ethical standards and codes for professionals and identify areas of commonality. It will also evaluate any areas of divergence and inconsistency in ethical principles. Once the review is completed, the committee is expected to develop a standard taxonomy of terms and ethical principles that could work for an international audience. The goal is to submit a first draft of the principles to the trustees for consultation by the end of September 2015.

As part of the Coalition's communications strategy, one essential goal will be to promote the value and impact of international ethics standards to industry, governments and the public sector and solicit their adoption and enforcement of the standards. Offering advice on the interpretation and application of the standards may become a long-term goal, as well as assisting in the resolution of disputes over adherence to the standards.

A Long-Term Vision

To meet the needs of today's global market, a shared set of ethics principles will go a long way in enhancing the public's perception of our profession. The Coalition is hopeful that the new International Ethics Standard will be ready in early 2016, following which the member bodies of the Coalition will implement it through their own training and guidance to professionals. The key to achieving this desired solution lies in the process.

The new Coalition plans to directly involve all relevant organizations by making them both owners (by legally sharing the intellectual property) and implementers of the shared standards. The suggested approach will instill a sense of ownership, enabling each participating organization to create and implement international ethics standards that serve to protect the public interest and bring stability to real estate markets worldwide. And by defining those standards together, we can begin to improve ethics in both reality and public perception.

FIABCI World President Robyn Waters commented, "The new Coalition has the potential to transform the public perception of the entire real estate industry by creating and implementing international standards of ethical conduct. This, in turn, will help to enhance confidence and stability in the global market place, leading to improved ratings for property as an asset class."

Having an internationally recognized set of ethics standards will strengthen the industry and lend credence to the hard work of property-related professionals across the globe. ✪

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