

**Verified:**

**By Georgian Realtors Association**

**The ruling council 18.08.2016 session record of proceedings**

**Georgian Association of Realtors' Code of ethics**

## **Preamble**

With this designated Code of Ethics we, member companies of Georgian Association of Realtors qualify our decision to act and direct our work towards Georgian society due to Code of Ethic's norms accepted by an international society.

## **Real Estate property right is one of the main human rights**

Property right is one of the fundamental human rights in any democratic country. By Georgian constitution it is defined as such: "Property and inheritance rights are acknowledged and secured. It is intolerable to revoke their universal right of property to buy, to alienate or to inherit."

That is why, our main goal is to facilitate the development of such Georgian real estate market environment, which will value ethical business actions and govern it in an intelligible way and will be the basis of decision-making.

We operate by the above mentioned Code of Ethics, which at the same time is the self-esteem and instrument of self-regulation of realtors working in Georgia.

The Code of Ethics will encourage the best practice of business-making by the mediatory companies in real estate sphere and will ensure its maximal focus on the interests and the rights of a client.

We are aware, that the growth of corporative and social responsibility and the improvement of internal organizational business culture will have a positive effect on Georgian mediatory relations and will improve realtors' image among costumers, investors and partners. We are ready to steadily operate by the norms of The Code of Ethics.

The Code of Ethics performs as the guide document for every member company of Georgian Association of Realtors, which are willing to act in responsible corporative way and to gain a reputation of a qualified partner in Georgian society.

The Code defines an ethical frame of mediatory sector and is based on further basic values:

Accountability – responsibility for ones actions toward society and partners.

Conscientiousness – in collaboration with interested parties.

Fairness – in every relationship.

Integrity and unity – integrity, unconditional performance of taken responsibility, group unity.

Transparency – acting openly and sharing of information.

Reliability –By one’s actions gaining a reputation of being relied on.

Above mentioned values concern every relationship formed in this document and are the fundamentals, lying beneath every business relationship.

Realtors are in constant contact with the society and are transparent and accountable towards it.

Realtors take into account their clients’ rights, offer the service based on their demands and operate in Georgian jurisdictional limits.

Realtors do not discriminate any religious, cultural, sexual, racial, national, age, or any other parties by their work.

Realtors have their own share in solving public problems in the environment, where they operate.

The goals of The Code, along with the general ethic principles of immovable property, are the complex of the emergency norms and ethical principles that are used in realtor practice.

An execution of The Code, the loyalty to the norms of mediatory realtors’ work principles is proclaimed to uplift the prestige and effectiveness of the whole activity of real estate sector, to deepen and reinforce collaboration between realtors and clients in virtue of conscientiousness, mutual respect, supporting and execution of taken obligations.

Principles that linger in creation of The Code of Ethics represent the actions of Association of Realtors, its member companies, their leaders and employees, are the guarantee of acting due to its norms and responsibilities for violation its norms.

## **Article 1. Fundamental Regulations**

**1.1** Georgian Association of Realtors’ Code of ethics is the self-regulation instrument of Realtors’ Association, its member companies, their leaders and their employees, which is based on the norms of work ethics and is the essential element in the united legal and moral system of functioning of Real Estate market.

- 1.2** Georgian Association of Realtors' member companies realize their own professional work basing on Georgian constitution, living law and international law norms and the best practice of financial standards, morality and business relations.
- 1.3** The ethical regulatory mechanism of the work of member companies of Georgian Association of Realtors for one's part fills living administrative and economical mechanisms and its role will increase in accordance with the growth of Georgia's economical potential and the development of real estate market and the meaning of its function.
- 1.4** Regulations of The Code, which are based on morals of the society and the best corporative behavior norms of practice, also on respecting clients and their interests, acknowledgement of prioritizing their rights are obligatory for each member company of The Realtors' Association.
- 1.5** The Code represents the functioning of the specific needs of the client-oriented realtors' and the essential terms to defend a client's interests.
- 1.6** The Code embodies the rights of the fair attitudes between business-partners and the fundamental moral norms of corporative behavior, as well as, transparency of making decisions, definition of professional and ethical responsibilities of leaders and employees, informational openness, transparency and the development of ethics.
- 1.7** The Code represents the totality of rules, which must be obeyed by the every member company of the association and is based on the principle of defending every client's right and a wish to raise the attractiveness of the real estate sphere from the part of investors, partners and clients.
- 1.8** The Code has an power over every member company of The Realtors' Association, their managers and employees, who work on Georgian real estate market.
- 1.9** The execution of The Code regulations is an additional guarantee and indicates to realtors' professionalism, client-oriented attitude, an acknowledgement of priority of constant quality improvement, reliability and defending interests of a client.

## **Article 2. The general principles of ethics, legal norms, goals and sphere of work**

- 2.1** The professional work of realtors consist of working with customers, governmental agencies, business partners, as well as the other parties operating on the real estate

market, their unities, their stockholders and employees. The totality of civil and legal relations that are formed during the process of maintaining mutual goals.

To formulate the essential conditions for normalizing and developing the real estate sphere, the members of Realtors' Association agree to operate indubitably by the principles of Georgian business functioning :

1. While working with the law, business acknowledges the inevitability of defending the law, which ensures the equal possibilities for every party operating on the market.
2. While working with the government, business counts as an equal partner and excludes having direct and indirect, illegal influence on the any branch of the government.
3. While working with the client, business ensures the execution of every working norm and rule that it is obliged to, also is attentive and has no impartial attitude towards client's offers and complaints.
4. While working with the proprietors and investors, business ensures the professional level of management and information accessibility that may only be limited by the particular cases and concurrent conditions that are stipulated by law.
5. While working with the employees, business ensures their professional development, paid labor and conditions that do not damage their health and human dignity and excludes any form of their discrimination.
6. While working with partners, business is based on mutual respect and the execution of reached agreement. As for the concurrent relations, business operates by the belief that the healthy concurrency stimulates the fair distribution of services and respects the physical and intellectual rights of concurrent.
7. While working with the public, business holds responsibility for implemented politics, abstains from taking actions that may raise social tension and ensures its own economic stability and development.
8. While working with the environment, business defends and within the capacity of its possibilities, improves it and abstains from irrational utilization of natural resources.
9. While working with the outside world, business is oriented on the universal progress and well-being.

2.2 Operating by the norms of The Code of Ethics in the process of Realtors Association's professional work has a big meaning in order to reach the goals of the organization of effective and client-oriented working process in real estate field :

- Precluding the unconscientious working practice on the real estate market, revealing unconscientious participants, spreading information publically about a violator of The Code norms.
- Refusing working with natural or corporate person with a doubtful reputation.
- Professional communication based on mutual trust and backing within and outside of the real estate sector.
- Reinforcement of intercommunication within realtor society, raising the meaning of real estate market labor union and defending its each member's rights and legal interests. Ensuring the permanent professional growth in employees, in order for them to fulfill their duties, to better commit and take into account a client's interests.
- Ensuring maximal transparency of professional work, with a guarantee of keeping confidential information and commercial secrets.
- Directing united efforts in all directions in order to raise the interest of society towards real estate sphere realtors, caring for introduction the juridical or other mechanisms, which will raise the effectiveness of mediatory work towards real estate sphere.

The Association of Realtors must not commit:

- Violation of the existing jurisdiction and the best practice of moral and business relation mandated norms.
- Discrimination of rights, legal interests and dignity of any person on the market.
- Ignoring a client's rights and having an illegal or unethical influence on him/her.
- Giving the groundless and illegal privileges to clients and business partners.
- Financial, moral and other kinds of assistance to unkind subjects towards real estate market, as well as radical extremist groups.
- Using unconscionable competition methods towards any natural and corporate person operating in the sphere of real estate, whether they are or they are not the members of The Association of Realtors.

### **Article 3. Client - oriented attitude and relations**

In order to ensure an effective, transparent, successful, long-term, mutually beneficial terms between mediatory and brokerage companies and their clients, the members of Realtors Association agree on further principles:

- 3.1 Natural and corporate person is considered as a client, who has the right and willingness to realize deals connected to real estate.

- 3.2 The policy and working methods towards a client are formulated by Realtors Associations' members basing on the principles of fairness and honesty and do not aim at goals that are contradictory to client's interests.
- 3.3 The Association of Realtors' members must operate basing on the principles of conscientiousness, in order to defend client's interests, mandated procedures and rules.
- 3.4 The Association of Realtors' members are obliged to execute reached agreements and must not allow making the decisions that are harmful to a client, even if there is disagreement between a client and them.
- 3.5 The Association of Realtors' members must show solidarity in fight towards fraud and unconscientiousness. Must not take any risks from people, or organizations, that abuse the trust of mediatory companies. At the same time, the members should make a maximal effort to defend conscientious user's legal rights and interests during this process.
- 3.6 The planning and popularizing between marketing, commercial and real estate service companies must be arranged due to rectified juridical forms – basing on conscientious competition that excludes abusing the trust of a user. At the same time the production of advertising campaign must be based only on objective and reliable information.
- 3.7 The relations with a client must be settled by the contract in writing of a mediatory service, which will consist of the description of rights and duties of all parties. The copy of the contract must be given to all parties of the deal.
- 3.8 To inform a client about service commission fee in time.
- 3.9 To inform a client precisely, without overstating and concealing (including the information about all the negative facts and flaws of the property's real condition).
- 3.10 Must not provide professional service without subjective or presumable interest in particular real estate. Excluding the cases, when the interest is affirmed to the contract parties.

The members of association are authorized:

1. To inform a client about reciprocal authorization during a working process.
2. Must not share information, nor have consultations about the matters, that are beyond realtor's competency and advise a client to address an adequate professional for other professional consulting.
3. The member of The Association is obliged to defend client's interests, but this does not dismiss it from providing a fair service to other parties of a contract.

#### **Article 4. Quality assurance**

The Association of Realtors' members are aware and acknowledge that offering a client high quality service represents an ethical standard and the essential part of real estate corporate and social responsibility and is obliged:

- 4.1 Not to offer a client services that count as harmful actions towards the real estate sphere. For quality assurance realtors agree on:
- 4.2 Inculcation of low quality service is considered as an unconscientious act that is addressed to defy the image, reputation and reliability of the real estate sphere and is based on neglecting a respect of clients' interests and their defending principles.
- 4.3 Offering high quality service represents the inculcation of best business practice, permanent efforts of improving quality, permanent orientation on a clients' interest and the definition criteria of mediatory company's responsibility. Hereby the realtor is obliged to rear his/her qualification constantly, refine his/her professional skills and its actions must adapt to international standards.
- 4.4 Realtor must aspire to perform his/her professional work on high quality level and must be informed about international and local situation of real estate market.

#### **Article 5. Confidentiality and Objectivity**

The Association of Realtors' members are aware of confidentiality of information about client and his/her financial condition, as well as that the objective estimation of the facts and events are the essential foundation of working ethics. Hence it follows that mediatory companies take responsibility for:

- 5.1 Not divulging and sharing of any information, both, their own and partner company client's interests.
- 5.2 Not using information provided by partner illegally, or contradictorily to client's interests.
- 5.3 Not divulging a client's confidential information for personal, or for some third parties beneficial usage, excluding the cases of obligatory divulging of information dictated by the living law.

#### **Article 6. Responsibility**

In order to reinforce the trust towards realtor's work and defending the legal rights and interests of a client, realtors are responsible for executing taken obligations to a client during the whole contract period.



Realtors are responsible for the cases of violating The Code of Ethics that is regulated by further rules and procedures:

- 6.1 In cases of violating The Code of Ethics by the Association of Realtors' members the aggrieved party or the party responsible for causing the damage are obliged to prosecute a claim to Georgian association of Realtors' ethic committee and to provide the material needed for further procedures.

## **Article 7. Improvement of business internal environment**

In order to maximally take into consideration a client's interests, and for encouragement constant improvement of quality and the values oriented towards it, the Association of Realtors' members take a responsibility to:

- 7.1 To have an open policy towards payment for labor and other terms that are written in collective and individual employment contracts, regulations of a company and other resembling documents.
- 7.2 To ensure equal working conditions, healthy and safe working environment, to follow a non-discriminating policy of employment, wages, additional social guarantees, the professional growth of their employees and for reinforcing loyalty to business from their part.
- 7.3 To denounce the facts of gender discrimination and to inculcate gender equality, this is one of the main preconditions of a fair, concurrent environment between the employees.
- 7.4 To ensure the availability of managers and openness to employees' business offers and initiatives.
- 7.5 To avoid the potential conflict of interests that validates the social and corporative responsibility of a business or acts negatively on it during execution of responsibility.
- 7.6 To ensure the professional growth of their employees in order to better perform their duties, to understand and take into consideration a client's interests.
- 7.7 The Association of Realtors' members form their own policy and working methods based on the principles of fairness and honesty and do not aim at goals that
- 7.8 To ensure the equal environment for every member of the association.

Georgian Association of Realtors' The Code of Ethics must be known to everyone who wants to be a member of the Association and must be executed by every member, company leader and employee of the Association.