

NZIF GUIDANCE NOTE

NEW INFORMATION REQUIRED FROM REGISTERED MEMBERS AND APPLICANTS

Released (13 November 2017)

The start of the Real Estate Exemption at 1 November 2017, has meant some changes in the information that now has to be provided by:

- Applicants for registration;
- At the annual renewal of registration;
- At each periodic (five-year) review of registration.

This note mainly deals with the new information that is required. In due course we will provide more complete guidance on the process (i.e. including consolidating it with the requirements that applied prior to 1 November).

Note that these requirements apply to all registered members and all applicants for registration, whether or not the person is involved, or wishes to be involved, with any real estate agency work.

The additional information required, and when it must be provided, is set out below.

Declaration of eligibility for registration

A declaration is now required that the member is eligible for registration on the basis they have not had recent convictions for certain offences, they are not prohibited from being a director, they are not undischarged bankrupts, etc. A guidance note (People Prohibited From Being Registered) on this has been prepared and members have been notified that it is available on the NZIF web site at <Home> <Resources & Publications> < Real Estate Agents (Exemptions) Regulations 2017>.

This declaration is required:

- From every applicant for registration;
- From every current registered member as part of the annual renewal of registration in March 2018. Note this is the only year it is required as part of the annual review. This is in order to make sure all current registered members are eligible for registration;
- At each periodic (five-year) review of registration;
- As a transition measure, those members whose registration is due for the five year review between 1 April 2018 and 31 March 2019 will not be required to supply a new declaration provided they had done so between 1 November 2017 and 31 March 2018.

Details of any relevant qualifications and experience relating to real estate agency work.

The Real Estate Exemption requires applicants for registration and Registered Members to advise the Board on application and at each renewal of registration of their relevant qualifications and experience relating to real estate work.

No definition of “relevant qualifications and experience relating to real estate agency work” as applicable to an NZIF Registered Member has been specified. Some NZIF members do hold Real Estate Agent licences and so will have the qualifications required for that purpose. These can be found at:

<http://www.reaa.govt.nz/ForLicensees/ApplyingForYourLicence/Required-qualifications/Pages/Required-qualifications.aspx>

Requirements for licensed real estate agents for continuing professional development are set out here:

<http://www.reaa.govt.nz/ForLicensees/MaintainingYourLicence/Continuing-education/10-10-continuing-education/Pages/10-10-continuing-education.aspx>

NZIF has, in 2017, run workshops on the real estate exemption, which are relevant.

Other relevant qualifications and experience will depend on the sort of real estate work the member is involved in. For example if it includes providing a forest valuation and defending that in negotiations between client and a buyer or seller, then forest valuation qualifications and experience would be relevant.

This information is required from:

- Every applicant for registration;
- Every registered member as part of the annual renewal of registration. While the exemption rules say the information is to be provided annually, as we update the procedures for annual renewal of registration, we will look at ways to record information previously provided (i.e. at renewal at 1 April 2018 or at initial registration where this occurred after 1 November 2017) and from 1 April 2019, just require updating of the member's records to include additional real estate qualifications and experience undertaken in the previous 12 months.

Whether or not the member has professional indemnity insurance

As a condition of the exemption, NZIF is required to inform all applicants for registration and, at each annual renewal of registration, all registered members of the advisability of holding and maintaining professional indemnity insurance.

Members should note that there is no requirement for members to have professional indemnity insurance. The requirement is simply to advise members that it is something they should at least consider. The Board is also required to report annually to the Ministry of Justice on the number of members that do have such insurance. Note this is an aggregate number and details of which members do or do not have insurance is not required in the report. While the Board is required to collect the information from each registered member, it will be confidential to the Board and will not be disclosed to others.

We realise that in a number of cases, insurance cover will be provided by the member's employer, rather than the member having their own policy. Accordingly the information to be supplied by applicants and registered members is:

Please advise:

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| • If you have professional indemnity insurance | Yes/No |
| • If yes, is the cover provided: | |
| ○ By you personally | Yes/No |
| ○ By your employer | Yes/No |

This information is required from:

- Every applicant for registration;
- Every registered member as part of the annual renewal of registration.