

REGULATORY FRAMEWORK

RICS Regulatory Framework document

October 2022



The Governing Council (the Council) and the Standards Regulation Board (the SRB) of the Royal Institution of Chartered Surveyors (RICS) have on 27 October 2022 agreed the Framework Agreement (Agreement).

Purpose

- 1 This Agreement is created to implement the recommendations and intention of the [Richard RICS Review](#) (the Review) as approved by the Council on 15 June 2022 to ensure greater independence, transparency and autonomy of regulation. Alongside the RICS Bye laws, Regulations and Terms of Reference, it is a document which sets out the SRB's responsibilities.
- 2 Independent regulation is essential to uphold the professional competence and conduct of RICS members, the integrity of the services of members and firms registered with RICS and to give confidence to the public, clients, consumers, providers, investors and society as a whole that RICS and its members are delivering professional surveying services in the public interest.
- 3 The Review recommendations provide a basis upon which RICS can preserve the integrity and independence of the regulatory function within the Institution as paramount. The purpose of this Agreement is to enable the preservation of RICS' regulatory remit within the Institution by explaining the role, delegations to and responsibilities of the SRB, as well describing the relationship of the Council, the SRB and the RICS Board.
- 4 The Articles in this Agreement (the Articles) are intended to enhance regulatory independence, to create and maintain clear, practicable separation to prevent representative, operational or other RICS activities from prejudicing the regulatory functions, to promote the regulatory objectives, to uphold the better regulation principles and to retain public confidence. In approving the Review recommendations, the Council has endorsed the need for the SRB to have greater autonomy. The clarity of this autonomy is set out in this Agreement.
- 5 These Articles aim to balance the interests of RICS, in ensuring that regulatory activities are accountable, with the overarching public interest in ensuring fair, transparent and independent regulation. Should any of the Articles be unclear, they are to be read in light of the intention to enhance the regulatory autonomy of the SRB in the public interest.

Overriding duty

- 6 To maintain public confidence, to act in the public interest and to meet the requirements of its Charter, RICS has an overriding duty to ensure that the exercise of its regulatory functions is not prejudiced by any representative functions or other responsibilities it may have. To achieve this, the Council acknowledges that sufficient arrangements must be in place to:

- a separate regulatory functions from any representative functions
- b maintain the independence of its regulatory functions as effectively as is reasonably practicable
- c periodically review and, if reasonably practicable, improve its arrangements
- d provide the resources necessary to deliver independent regulation.

Delegated role and responsibility

- 7 Pursuant to Article 11A of the RICS Royal Charter, responsibility for independent-led regulation within RICS is delegated to the SRB, by way of [Bye Laws 7.1.1 \(a\) and 7.2.1](#):
 ‘the Standards and Regulation Board shall exercise the standards and regulatory functions of RICS.’
- 8 RICS Regulation 7.2.4 sets out the SRB’s responsibilities in exercising these Regulatory Functions. These are operated through Education and Qualification Standards, Standards and Professional Development, Regulation Operations, Dispute Resolution and the Regulatory Tribunal, ([Regulations as approved by Governing Council](#) – Appendix A) and captured in the [SRB’s Terms of Reference](#).

Separation and assurance

Duty to delegate

- 9 As an international professional body, RICS has regulatory, representative and other public interest functions. As set out in Article 7 above, to meet the public interest and to maintain confidence, RICS delegates the discharge of its regulatory functions to an autonomous and independently-led body, the SRB.
- 10 RICS, through the Council, retains the right only to assure itself that regulatory functions are being discharged effectively in accordance with the SRB’s strategy, business and budget plan, whilst preserving the independence of individual regulatory decision making, or as otherwise required by law.
- 11 RICS, through the Council, delegates the discharge of representative functions, non-regulatory operational functions (including the oversight of the delivery of operational Central Services) to the RICS Board. The RICS Board shall oversee operational delivery of a business plan agreed by the Council, through delegation to a number of RICS member-led sub-groups: the Commercial Committee, the Nominations and Remuneration Committee, the Audit, Risk Assurance and Finance Committee, the Knowledge and Practice Committee and the Member Services Committee.
- 12 The RICS Board and the SRB operate independently of each other, both accountable directly to the Council. For the SRB this accountability is set out within this Agreement, the Bye laws, Regulations and the SRB Terms of Reference. The work of the RICS Board

or of any of its sub-groups must not prejudice, mirror, duplicate or usurp the decisions, functions, work or responsibilities of the SRB or any of its sub-groups.

- 13 Without prejudice to Article 12, the RICS Audit, Risk Assurance and Finance Committee and the RICS Nominations and Remuneration Committee are both RICS Committees with duties and responsibilities which operate across the whole Institution. Both Committees must be able to discharge their functions, whilst ensuring the activities of either Committee do not prejudice, usurp or intentionally and directly or indirectly duplicate the role, responsibility or authority delegated to the SRB.
- 14 It is in the interests of RICS and the wider public interest that the Council, the RICS Board and the SRB shall, in all good faith and respecting the need for independence of regulatory functions, work transparently and cooperatively.
- 15 The Council must promptly inform the SRB if RICS makes or intends to make a decision, plan, communication, or other arrangement or undertake any activity which may reasonably be considered likely to affect the discharge of the SRB's responsibilities or of the regulatory functions overseen by the SRB.

Regulatory autonomy

- 16 The SRB must independently determine the most appropriate and effective way of discharging its functions in a way which is compatible with the public interest, which maintains confidence and has regard to the [Principles of Good Regulation](#) and the UK Department for Business Energy and Industrial Strategy [Regulators' Code](#) and any other equivalent international provision.
- 17 The SRB shall:
 - a determine its own governance, structure, priorities, policies, all forms of communication and strategy feeding into the wider RICS strategy
 - b determine all resources reasonably required by the SRB for the regulatory functions for which it is responsible to operate effectively and to enable it to discharge its functions in the public interest
 - c appoint board members in accordance with the RICS Global Appointments Model
 - d determine whether any amendment to its regulatory arrangements is necessary and, if so, what form that amendment should take
 - e be responsible, through the SRB Chair, for the line management of the staff who service the regulatory functions
 - f share Central Services, in order to enhance efficiency, provided this does not undermine the independence of regulatory functions or the effective discharge of its functions.
- 18 RICS, through the Council:

- a is obliged to provide the resources reasonably required by the SRB for the regulatory functions for which it is responsible to operate effectively and to enable the SRB to discharge its functions
- b shall ensure that the role and any activities of the Council or any other RICS governance body do not prejudice, usurp or intentionally and directly or indirectly duplicate the role, responsibility or authority delegated to the SRB
- c may only make representations to the SRB relating to these determinations in the appropriate exercise of its representative functions, and
- d must not prejudice the independent judgement of the SRB.

Conduct and responsibility

- 19 The Council and the SRB must ensure that any individual, whether remunerated or not, with a role in the exercise of regulatory functions, or which may otherwise reasonably be considered likely to affect regulatory functions is aware of and complies with these Articles as well as seeks to meet the spirit and intention of this Agreement.
- 20 It is in the public interest and interests of RICS that, in all matters relating to this Agreement, the Council and the SRB act reasonably, transparently, co-operatively and with good faith towards one another.

Provision of assurance to RICS

- 21 The SRB, through the Chair, will:
 - a provide a written update to the Council following each quarterly SRB meeting
 - b keep, and make available to the Council for each of its meetings, a written record of the agenda, minutes of SRB discussion, and decisions reached by the SRB
 - c provide such information to the Council or other RICS governance bodies as it reasonably considers would enhance the understanding of the SRB's structure, priorities, activities and strategy
 - d without prejudice to Article 12, provide the information which in its reasonable judgement is reasonably necessary for the Audit, Risk Assurance and Finance Committee and Nominations and Remuneration Committee to enable those Committees to discharge their respective delegated functions
 - e provide sufficient information which in its reasonable judgement is reasonably necessary for the Council to be assured that regulatory functions and management of its budget are being discharged effectively
 - f provide information to the Council on any operational failure or any failure to meet operational performance metrics which the SRB reasonably identifies during its oversight of operational performance and which it would be reasonable for SRB to conclude would undermine public confidence in regulation activities.

- g respond promptly and fully to all reasonable requests for information by the Council made for the purposes of assuring compliance with these Articles
 - h ensure that any issue in relation to compliance with these Articles which cannot be or has not been remedied within a period of 28 days is reported in writing to the Council, whether this information is requested or not
 - i provide assurance to the Council that none of its work has been unduly influenced by any representative or other operational function of RICS.
- 22 RICS, through the President acting as chair of the Council:
- a will provide a written update to the SRB following each Council meeting
 - b must provide to the SRB any information arising from any RICS strategy, programme, governance matter, financial performance, or activity which may reasonably be considered likely to undermine public trust and confidence in the RICS or the SRB
 - c may only require further information from the SRB if it has grounds to do so that are justified by and consistent with the terms of this Agreement
 - d must not require the SRB to provide information which the SRB reasonably considers would risk undermining the SRB's independence or effectiveness, and
 - e must not use the information it receives from the SRB for the representation, protection, or promotion of the interests of RICS members, unless and until it receives that information for that purpose or that information is made publicly available.
- 23 RICS, through the Chair of Nominations and Remuneration Committee will, without prejudice to Article 12, provide sufficient information as is reasonably required by the SRB for it to discharge its delegated Regulatory Functions
- 24 RICS, through the Chair of Audit, Risk Assurance and Finance Committee, will, without prejudice to Article 12, provide sufficient information as is reasonably required by the SRB for it to discharge its delegated Regulatory Functions
- 25 The SRB will provide an annual report to the Council providing sufficient information to enable the Council to be assured of the SRB's performance and assurance that its regulatory functions and oversight of financial management and risk, including that of any sub-group to which it has delegated authority, are being discharged effectively.
- 26 The SRB will maintain a Risk Register classifying its assessment of the likelihood of a risk event occurring and its potential impact on RICS' reputation, finance or operations, for areas within its remit. It will report issues or make recommendations to the Council on matters of regulatory significance or corporate or governance risk which it considers may be of relevance to the Council's discharge of its responsibilities.

Governance – Standards and Regulation Board

- 27 The SRB must independently carry out procedures for appointing, re-appointing, terminating, assessing the performance and appraisals of members of its board, or

of any groups or bodies to which it delegates regulatory activities including the Chair in accordance with the RICS Global Appointments Model. Appointments to groups or bodies established by the SRB but not included within RICS' Global Appointments Model must be in accordance with a procedure approved by the SRB and a service level agreement agreed between the SRB and the relevant corporate department.

28 RICS:

- a may only make representations to the SRB relating to these determinations in the exercise of its representative, other operational functions or responsibilities, and
- b must not prejudice the independent judgement of the SRB.

Business plan, budget and resources

29 In accordance with SRB priorities and strategy under Articles 17, the SRB shall independently:

- a formulate a three-yearly rolling strategy, business plan and budget for resources reasonably required by the SRB for the regulatory functions for which it is responsible to operate effectively and to enable the SRB to discharge its functions, and
- b determine the allocation of the resources needed to discharge its functions and oversee operational delivery of its business plan.

30 Each year following transition as provided for in Articles 64 – 67 in line with a business planning cycle set by the Council and within a budget setting process coordinated by the RICS Board, the SRB will present to the Council a formal statement of the SRB's annual strategy, business plan and budgetary requirements.

31 The SRB budget statement, which may not be altered or amended by the RICS Board, will include information such as staff costs, operational and governance expenditure in line with a template agreed between the Council and the SRB, as reasonably required to enable the SRB to show how resource referred to within the budget will be allocated to deliver against the SRB's business plan and to enable it to discharge its functions for each of the three years as agreed.

32 Should there be exceptional circumstances such that the Council and the SRB are unable to agree a budget or should the Council have clear and convincing grounds to conclude that RICS' financial health is insufficient to sustain the resource necessary for the SRBs strategy, business plan, budget or to effectively discharge its regulatory responsibilities, or should the Council have legitimate concerns regarding the SRB's management of its budget, the Senior Independent Governor will request a review of the SRB budget by the Chair of the SRB and the President.

33 To enable the Review referred to in Article 32 to be undertaken as a matter of urgency, the Senior Independent Governor will seek from the Chair of the RICS Board or Chair of the Audit, Risk Assurance and Finance Committee as appropriate information reasonably

requested by the Chair of SRB or President to clarify the financial health of RICS or as to SRB's management of its budget.

- 34 Should the Council and the SRB remain unable to agree a budget, any disagreement between the Council and SRB is to be resolved in accordance with Articles 56 and 57.
- 35 Once the budget for SRB's resource requirements is finalised, the SRB will have authority to incur such expenditure as agreed without further reference to the Council, on the following conditions:
 - a expenditure plans are in line with the amount agreed by the Council as within the SRB's budget
 - b the SRB shall not amend its budget or incur expenditure beyond that agreed by the Council within a yearly cycle in a way which imposes ongoing costs on RICS without the Council's consent
 - c should the SRB determine that it requires further resource beyond that agreed with Council in a given financial year or period of a financial year, or should the SRB reasonably anticipate a need to incur additional expenditure not included within budget and which if incurred would exceed the budget for a given financial year, the SRB shall make a written request for additional resource to the Council. Such request must be accompanied with such information as the SRB reasonably considers is required to enable it to show why such additional resource is required and how the resource will be allocated
 - d the SRB must provide the information it reasonably considers is sufficient for the Council to be assured that the SRB's activities are being undertaken in compliance with relevant aspects of best practice in corporate governance, including oversight of its budget, and that any identified risks are being mitigated appropriately in interests of RICS and the public interest and respond promptly and fully to all requests for information needed to assess and assure compliance with appropriate risk management strategy.
- 36 RICS, through the Council:
 - a will ensure that all relevant information, including financial, is available for the SRB and the staff accountable to the SRB to enable it to formulate and oversee its budget
 - b may only make representations to the SRB relating to these determinations in the exercise of any representative, other operational functions or responsibilities, and
 - c must not prejudice the independent judgement of the SRB.

Financial reporting

- 37 The SRB shall undertake reasonable steps to be transparent, effective, and efficient in controlling the cost and resources reasonably required for the SRB to operate effectively and to enable it to discharge its functions and explaining how costs have been forecast, calculated, allocated and spent.

- 38 The SRB shall ensure appropriate rigour and oversight is applied to maintaining, monitoring, scrutinising, and controlling the financial performance and risk of operational resource allocated to it by the Council, including that of any sub-group to which it has delegated authority.
- 39 Staff accountable to the SRB shall continually monitor, oversee, and control operational budgets undertaking scrutiny of the financial performance of those delivering regulation. Staff will report to the SRB on financial performance, including progress against agreed budget, expenditure and any necessary reforecasting or operational restructure exercises on, at least, a quarterly basis.
- 40 As a feature of its reporting to the Council in relation to Article 21 the SRB shall report to the Council on the financial oversight of its budget. The SRB has the responsibility and is entitled to bring any serious deviations or concerns to the attention of the Council. In addition, the SRB shall report to Council on any significant financial reporting issues and judgements which they contain having regard to any matters communicated to it by auditors appointed by the Audit, Risk Assurance and Finance Committee. Notwithstanding any matters or concerns reported to it, the SRB will review any key matters related to financial reporting issues on its initiative.
- 41 The Chair of the SRB shall be entitled to request information from the President or Chairs of the RICS Board or the Audit, Risk Assurance and Finance Committee regarding the financial performance management of RICS where relevant to the ability of the SRB to operate effectively and to enable it to discharge its functions, including delivery of the SRB's business plan.

Staff and non-executives

- 42 The SRB shall be responsible for the line management of the staff who service the regulatory functions and who shall be appointed and managed by a leader who is accountable to the SRB through the Chair and who is a part of the RICS Executive Board to ensure that issues relevant to the SRB are properly represented.
- 43 RICS staff accountable to the SRB are employed by RICS. However, recruitment, pay, titles, grades and terms of service of such staff will be overseen by the SRB to ensure that they are appropriate for the regulatory role they undertake and the regulatory context. All staff are subject to and benefit from levels of remuneration and terms and conditions of employment and service (including pensions) within the general pay, reward and benefits structure approved and overseen by the RICS Nominations & Remuneration Committee. All RICS staff accountable to the SRB must receive at least the same entitlement and apply all relevant RICS employment policies on a basis equivalent and commensurate to any other part, function, team, department of RICS.
- 44 Remuneration of non-executives whether or not they are RICS members is set by the RICS Nominations & Remuneration Committee on the recommendation of the SRB.

- 45 Any travel or other legitimate expenses of staff and non-executives shall be paid in accordance with the relevant RICS policy unless this may detrimentally affect the delivery of its regulatory duties.
- 46 The SRB responsibilities toward staff are to ensure that, consistent with and applying RICS policies where available:
- a the approach to recruitment, retention and management of staff which creates an inclusive culture in which diversity is fully valued
 - b appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, gender reassignment, race, colour, ethnic or national origin, religion, belief, disability, community background or age
 - c the level and structure of staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
 - d the performance of staff at all levels is satisfactorily and regularly appraised and the performance appraisal system is reviewed appropriately
 - e staff are encouraged to acquire the appropriate professional, management, and other expertise necessary to achieve the SRB (and RICS') objectives
 - f proper consultation with staff takes place on key issues affecting them
 - g appropriate and adequate grievance and disciplinary procedures are in place
 - h whistleblowing procedures are in place ensuring that regular reports of whistleblowing incidents are reported by the Chair of the Audit, Risk Assurance and Finance Committee to the Chair of the SRB
 - i the code of conduct for staff and non-executives, and
 - j appropriate policies for dealing with complaints against members of staff and non executives, and ensuring the safeguarding of RICS staff, are in place.
- 47 No person, whether remunerated or not, who is involved in decisions relating to responsibilities delegated by the Council to the RICS Board or in any representative capacity may also be involved in decisions relating to the regulatory functions delegated to the SRB.

Risk management

- 48 The SRB shall ensure that corporate risks that it faces which may reasonably be considered to impact on RICS are identified, mitigated as far as possible, and managed in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance.

Central services

- 49 RICS is obliged to provide such Central Services as reasonably required by the SRB to operate effectively and to enable it to discharge its functions.
- 50 RICS and the SRB may only share a Central Service if they agree that:
- a this will not undermine, and could not reasonably be seen to undermine, the independence of regulatory functions
 - b this is effective and appropriate for the SRB to discharge its regulatory functions, and
 - c this is necessary to be efficient and reasonably cost-effective.
- 51 As to be provided for within service level agreements, services shared between RICS and the SRB under Article 50 must be provided to the SRB on a basis no less favourable than to any other part, function, department, or governance body of RICS.
- 52 Where in the SRB's reasonable, independent judgment any Central Service does not provide sufficient adequate resource or policy to enable the SRB to discharge the strategy, business plan and regulatory functions for which it is responsible it is entitled to commission such services from an external party.
- 53 RICS through the Council:
- a may only make representations to the SRB relating to the SRB's discretion to commission services externally in the exercise of its representative, other operational functions or responsibilities, and
 - b must not prejudice the independent judgement of the SRB.

Communication and candour

- 54 The SRB must have arrangements in place for persons involved in the exercise of its regulatory functions to be able to communicate directly with the Chair of the SRB and/or the President.
- 55 Arrangements must be in place to enable individuals to notify any member of the Council or the SRB if they consider that the independence or effectiveness of regulatory functions is being or will be prejudiced.

Disputes and referrals for clarification

- 56 If the Council or the SRB disagree in relation to any point arising under or in connection with these Articles which they have been unable to resolve to their satisfaction, either the Council or the SRB may refer the point to the Senior Independent Governor for clarification and resolution.
- 57 If the Senior Independent Governor is unable to resolve the disagreement between the Council and the SRB to their satisfaction, then, as an act of last resort, the Senior

Independent Governor will refer the issue to an appropriate external dispute resolution mechanism such as arbitration before any action is taken. Resolution of any dispute is to be achieved with urgency, and to be resolved with reference to the [Principles of Good Regulation](#), the [Regulators' Code](#) and any other equivalent international provision and to with the intention of meeting the overriding duty.

Saving provisions

- 58 Neither RICS nor the SRB shall be in breach of these Articles if the action or omission, which would otherwise constitute the breach, is:
- a necessary to be assured that regulatory functions are being discharged effectively and independently, whilst also consistent with Articles 1-17 of this Agreement (which are non-derogable in all circumstances) as well as preserving the independence of individual regulatory decisions
 - b required by law, or
 - c carried out with the prior written authorisation of the other party.
- 59 In the event of a dispute as to whether any of these Saving Provisions apply, the matter must be referred to the Senior Independent Governor before any action is taken and any response will be determinative in accordance with Articles 56 and 57.

Review

- 60 This Agreement will be reviewed by RICS and the SRB at least every three years from the date of its implementation. This review is to be carried out by an independent person agreed by RICS and the SRB and will include a review of the SRB's purpose, governance and strategy to ensure that it remains adequate and sufficient to meet the Overriding Duty. This Review should also include an assessment of the SRB's budget benchmarked with other professional bodies which are similar to RICS.

Transitional arrangements

- 61 The Review recommends in paragraph 3.9 'immediately strengthening of the independence of the SRB to create and maintain clear divisions which prevent the representative functions from prejudicing the regulatory functions'.
- 62 While endorsing and seeking to implement that recommendation with the urgency required by the Review, the Council and the SRB recognise that this Agreement is the first such agreement within RICS, and that in July 2022 the Council decided to change RICS' business and financial year. It is also recognised that elements of the Review have not yet been implemented and that significant components of RICS governance have not at the date of completing this Agreement been finalised. To maintain confidence in the independence and rigour of its regulatory functions, especially so during a time of wider organisational change, the Council and the SRB commit to meeting and implementing the

Articles in this Agreement. The Council and the SRB agree to keep the Agreement under review to ensure it is implemented effectively and coheres with wider changes to RICS governance while the rest of the Review recommendations are implemented.

- 63 Both the Council and the SRB assert that, should any issue arise in the interpretation or application of any RICS governing document (such as an RICS Bye law, Regulation or Term of Reference), governance process or provision which might lead to inconsistency or ambiguity with this Agreement, the governing document, process or provision is to be interpreted favourably with the intention of meeting the overriding duty wherever possible. In the event that a conflict arises in the interpretation or application of this Agreement with any other RICS governing document, governance process or provision the Council and the SRB are to take such reasonable steps as necessary to add to, revise, amend or clarify such conflicting position in order to meet the overriding duty.
- 64 For the purpose of the transitional period and to enable the SRB and Council to agree a budget to enable the SRB to discharge its functions, Articles 64 - 67 will supercede Articles 30 to 33. All other Articles within this Agreement are effective from the date agreed between the Council and the SRB in approving this Agreement and to be read accordingly. Should the governance arrangements recommended within the Review be implemented before the SRB budget for financial year 2023 is finalised, then Articles 30 to 33 are to be deemed reinstated.
- 65 In accordance with SRB priorities and strategy, the SRB shall independently formulate a budget for the resources reasonably required by the SRB and the regulatory functions for which it is responsible to operate effectively and to enable the SRB to discharge its functions and determine the allocation of its resources.
- 66 Should there be exceptional circumstances such that the Council and the SRB are unable to agree a budget or should the Council have clear and convincing grounds to conclude that RICS' financial health is insufficient to sustain the resource necessary for SRB's strategy, business plan, budget or to effectively discharge its regulatory responsibilities, or should the Council have legitimate concerns regarding the SRB's management of its budget, the Senior Independent Governor will request a review of the SRB budget by the Chair of the SRB, Chair of the Management Board and President.
- 67 To enable a Review referred to in Article 66 to be undertaken as a matter of urgency, the Senior Independent Governor will seek from the Chair of the Management Board or the Chair of the Audit, Risk Assurance and Finance Committee information reasonably requested by the Chairs of the SRB, the Management Board or the President to clarify the financial health of RICS or as to the SRB's management of its budget.
- 68 To implement this Agreement the Council and the SRB shall act reasonably, transparently, co-operatively and with good faith towards one another to support the creation and delivery by 31 March 2023 of:
- revised Terms of Reference for the SRB by the end of December 2022

- necessary operational processes or protocols, to ensure the clear separation of those procedures that fall within the remit of the SRB and those that fall under the remit of the RICS Board
 - necessary operational processes or protocols, to enable the practicable implementation of Article 30
 - the SRB's strategy, business and budget plan templates
 - service level agreements for Central Services, and
 - any other transitional provision or process necessary to ensure implementation of the Agreement to strengthen SRB independence with urgency.
- 69 With reference to Article 62 and the need to ensure coherence of this Agreement and the responsibilities delegated to the SRB within the overall RICS governance framework, through delegation to the Governing Council Regulatory Framework Agreement subgroup, this Agreement will be reviewed on a quarterly basis until October 2023 to ensure that it is accurately implementing the Review and adequately fulfilling the Overriding Duty. If either the Council or the SRB believe that any revisions are required to ensure the Agreement effectively implements the Review and meets the Overriding Duty the President, the Chair of the SRB and the Senior Independent Governor will agree the process by which amendments may be considered and agreed.

Agreed and signed on behalf of the RICS Standards and Regulation Board

Chair of the Standards and Regulation Board



Dame Janet Paraskeva DBE PC

27 October 2022

Agreed and signed on behalf of the RICS Governing Council



Clement Lau RICS President 2021-22

27 October 2022

Definitions

Audit, Risk Assurance and Finance Committee	The RICS governance body reporting to the RICS Board recommended by the Review
Principles of Good Regulation; the Regulators' Code	The principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted. Principles of Good Regulation , Regulators' Code .
Central Service(s)	<p>For the purposes of Article 49, Services include, but are not limited to:</p> <ul style="list-style-type: none"> • Information Technology • central legal services • procurement • administration (including support for engagement with RICS governance bodies, RICS Officers and executives supporting RICS Board) • Communications (including internal and external communications, engagement with key stakeholders, event support, member engagement, contact centre and first line response to member queries) • RICS data support and analytics • Human Resources/people, including payroll, recruitment • Finance, Corporate Services, Risk (including internal audit) • office space, facilities and all necessary equipment to enable operational activity.

Education Qualification Standards (EQS)

A Regulatory Function through which regulatory requirements, policies and frameworks for admission to the Register of Members, transfer between grades of membership and lifelong learning are operated. These apply for all grades of RICS membership (excluding Honorary) and entry to schemes, credentials, or registers including:

- eligibility requirements, processes, and procedures for assessment
- professional competence (including pathways, competencies) for admission to the Register of Members, and admission to schemes, credentials, or registers
- revalidation and lifelong learning (CPD) eligibility, competence, and assessment requirements
- accreditation of universities and approval of training programmes relating to the admission to the Register of Members
- approval of other qualifications, membership body requirements, and programmes of learning (direct entry routes) for admission to the Register of Members
- assurance of consistent entry and assessment standards for admission to the profession, and maintenance of grades of membership.

Dispute Resolution (or Dispute Resolution Service)	<p>A Regulatory Function through which RICS Dispute Resolution Service activities are operated, to support raising awareness of DR and RICS, providing access to justice and regulating members acting as DR advocate and tribunals. These include:</p> <ul style="list-style-type: none"> • appointment through a regulated framework of advisors, arbitrators, adjudicators, mediators, party representatives, expert determination, expert witnesses globally • creation and drafting of standards (including professional guidance) documents which apply to these areas • engagement and consultation with government, industry, judiciary and related professions • management of relevant panels such as the President's Panel and Dispute Resolution Appointments Board • the provision of education/training (including of regulated qualifications), accreditation and regulation of built environment dispute resolution advocates, professionals and tribunals.
Governing Council	The Governing Council for the time being of the Institution, as defined in the Royal Charter and Bye Law 6.1.
Overriding duty	<p>As set out in Article 6.</p> <p>To maintain public confidence, to act in the public interest and to meet the requirements of its Charter, RICS has an overriding duty to ensure that the exercise of its regulatory functions is not prejudiced by any representative functions it may have. To achieve this, the Council acknowledges that sufficient arrangements must be in place to:</p> <ol style="list-style-type: none"> a separate regulatory functions from any representative functions b maintain the independence of its regulatory functions as effectively as is reasonably practicable periodically review and, if reasonably practicable, improve its arrangements.

Management Board	The RICS governance board with delegated responsibility for implementing the strategy of RICS defined by Governing Council, as defined in Bye Law 7.3.1 and Regulation 7.3.
Nominations and Remuneration Committee	The RICS governance body reporting to the RICS Board recommended by the Review.
The RICS Board (the Board)	The RICS governance board recommended by the Review.
Reasonable	<p>Within the range of rational responses in the circumstances, taking into account relevant considerations including having due regard for overarching aim of achieving the objectives set out in Article 20, and omitting irrelevant considerations. (The long established concept of 'Wednesbury' reasonableness, originating from <i>Associated Provincial Picture Houses Ltd. v Wednesbury Corporation</i> [1948] 1 KB 223.)</p> <p>Terms used throughout this Agreement which relate to 'reasonable', 'reasonableness' and 'reasonably required' are to be construed accordingly.</p>
Regulatory Function	Functions overseen by the SRB relating to the standards and regulatory functions as defined in the RICS Charter, Bye Laws 7.1.1 (a) and 7.2.1, Regulation 7.24 relating to arrangements for delegation of regulatory functions to the SRB, including through the SRB's Terms of Reference, relevant sections as set out in Appendix A.
Representative Functions	All functions of the RICS are to act in the public interest, Representative Functions are those which RICS has in connection with the representation, or promotion, of the interests of RICS or any classes of its members.

Regulation Operations	<p>A Regulatory Function, with operational activity responsibility for the policies, frameworks, strategy and operational delivery of regulatory activities and assurance. Operational activity includes:</p> <ul style="list-style-type: none"> • the admission and registration of Members and Regulated Firms • management of regulatory complaints • monitoring of regulatory requirements such as ensuring Members' compliance with Continuing Professional Development (CPD) • ensuring adherence of members and regulated firms with RICS standards and regulatory requirements • the identification, management and mitigation of regulatory risk • management of regulatory schemes such as Valuer Registration, Client Money Protection Scheme, Designated Professional Body, Assigned Risks Pool Panel (for PII) • undertaking audit regime based on regulatory risk analysis • proactive assurance activities such as Regulatory Insights' Community, Practice Support Visits and regulatory webinars • confidential analysis and assessment of 'regulatory data' and intelligence to support the work of the SRB and Regulation Functions.
Regulatory Tribunal	<p>A Regulatory Function. A panel delegated authority to reach independent decisions affecting member and regulated firms through registration, disciplinary or appeal process. Constituted by the SRB for the purposes of Bye laws 1.2, 5.4 and 5.5, Regulations 2.3, 7.1 and Rules made by the SRB, which includes the Disciplinary, Registration and Appeal Panels, the Tribunal is overseen, for administration and budget purposes, by the SRB.</p>
Senior Independent Governor	The RICS' Officer role recommended by the Review.

Standards and Professional Development (or Standards)	<p>A Regulatory Function with responsibility within RICS for setting and maintaining the professional standards of the chartered surveying profession, providing the surveying expertise 'within' RICS and ensuring members are appropriately supported. Operational activity includes:</p> <ul style="list-style-type: none"> • undertaking professional insight gathering, and analysis, engagement, research, consultation and working collaboratively where appropriate with the profession and its key stakeholders to enable a clear understanding of the external, market and practice environment to help inform the development of professional standards • development and communication of robust professional, technical, ethical, conduct and competence based standards which address identified risks, which seek to maintain public confidence relevant to current and future market, sector or public needs • sharing regulatory and professional insight as appropriate with members, the profession and key stakeholders • defining and delivering RICS technical competencies (in conjunction with EQS and CPD) • supporting the practice and development of the profession with appropriate, relevant information, advice and guidance across its various sectors • development of relevant policy to ensure the regulatory framework of RICS is in line with best practice and coordinated with related external regulation to deliver public confidence • provision of in-house professional expertise ensuring that colleagues across RICS are expertly advised, as required, on all professional surveying issues. <p>'Professional standards' include the complete range of RICS 'standards' (whether setting mandatory or recommended practice for competent and ethical practice for members or firms). These include RICS' Rules of Conduct, professional statements, guidance notes, best practice information, technical requirements, professional toolkits.</p>
The Review	The Bichard RICS Review

Appendix A

Bye-Law 7: subordinate boards, committees and groups

B7.1 General

B7.1.1 Governing Council shall establish the following boards, committees, groups or panels:

- a Standards and Regulation Board
- b Management Board
- c Audit Committee
- d Professional Groups.

B7.2 Standards and Regulation Board

B7.2.1 The Standards and Regulation Board shall exercise the standards and regulatory functions of RICS.

Regulation 7.2: Standards and Regulation Board

R7.2.4 Role and responsibilities

The Standards and Regulation Board shall be responsible for:

- a the formulation and delivery of the standards and regulatory policy objectives of RICS including:
 - i the determination and implementation of consumer and client protection policies including redress and compensation strategies
 - ii the criteria and process by which members and firms register with RICS
 - iii the disciplinary process to be adopted when taking enforcement action against members and firms
 - iv the determination of the level of fines and the indicative sanctions to be used in the disciplinary process
 - v the policies, criteria and frameworks for the attainment of professional qualifications (including classes of membership), retaining qualifications and memberships and matters relating to competence
 - vi the criteria by which standards are identified, developed and adopted by RICS
 - vii the promotion of standards
 - viii any other matter of standards or regulatory significance to RICS
- b making Rules in respect of:
 - i the conduct and ethical standards expected from members and firms

- ii the powers of RICS to monitor, investigate and prosecute members and firms
 - iii the composition of any Registration Panel, Disciplinary Panel or Appeal Panel, including the process by which members are appointed to and removed from those panels
 - iv the role, function and process of the Registration Panel, Disciplinary Panel and Appeal Panel
 - v any other matter of regulatory significance to RICS
- c the publication and promotion of:
- i guidance and advice for members and firms on regulatory matters
 - ii decisions of the Disciplinary Panel and Appeal Panel
- d overseeing the delivery of a fair regulatory process by ensuring that:
- i there is proper separation in the prosecution and adjudicatory function of the disciplinary process overseen by the Standards and Regulation Board;
 - ii any regulatory or disciplinary functions exercised by RICS staff are exercised properly and at an appropriate level of seniority
 - iii criteria for the assessment of the delivery of RICS' regulatory objectives are developed, and
- e the monitoring of and response to changes to legislation and public policy which could affect the regulatory responsibilities of RICS.

R7.2.5 Delegation

- a The Standards and Regulation Board may delegate work to panels, sub-groups, working parties, Members, non-Members and RICS staff in order to fulfil its standards and regulatory objectives.
- b Any delegated work shall be undertaken in accordance with terms of reference approved by the Standards and Regulation Board.

Standards & Regulation Board

Terms of Reference: December 2021

Authority

- 1 The Standards and Regulation Board (SRB) is established under Article 11A of the RICS Royal Charter and B7.1.1(a) of the RICS Bye-laws.
- 2 The SRB will have regard to the objectives of the profession, as set out in RICS' Royal Charter.

Composition

- 3 The SRB shall be composed of up to 11 members including an independent Chair, up to five independent non-RICS members (with a minimum of four) and up to five RICS members (with a minimum of four).
- 4 Subject to the overarching need to ensure an independent majority, the quorum for the SRB shall be five SRB members who are eligible to attend and vote, of whom at least two shall be RICS members and two independent members.
- 5 If there is equality of votes, the Chair will have a casting vote.
- 6 The SRB Chair may not be a member of RICS' Governing Council or any other RICS Board or Committee. The SRB Chair may attend RICS' Governing Council meeting. They may attend any other RICS Board or Committee by invitation, as agreed with the respective Chair.
- 7 The Chair and members of the SRB will be appointed in accordance with RICS' Global Appointments Model, as adopted by RICS' Governing Council from time to time.
- 8 Members of the SRB may not be members of Governing Council or any other RICS Board or Committee, including, for the avoidance of any doubt, the Regulatory Tribunal.

Delegations

- 9 In accordance with the delegation from RICS' Governing Council and RICS Regulation 7.2., the SRB has exclusive responsibility for strategy, policy and operational oversight of the standards, entry and admission to the profession (through RICS' education and qualification standards), the regulatory functions of RICS and the Dispute Resolution Service.

Exercise of powers of delegation

- 10 The SRB may delegate work to sub-groups, sub-boards, working parties, RICS Members, non-RICS members and/or RICS staff in order to fulfil the SRB's responsibilities.
- 11 Any delegated work must be undertaken in accordance with terms of reference approved by the SRB.

Accountability and reporting

- 12 Given the nature of RICS' corporate structure, and cognisant of independent led regulation, ultimate accountability for performance and supervision of the SRB is undertaken by RICS' Governing Council.
- 13 Any papers, reports or information requested by Governing Council, Management Board and Audit Committee will be shared promptly with the members of the governing body making the request.
- 14 The chair of SRB is required to provide a written update to Governing Council following each of their meetings. The written update must be approved and submitted by the

Chair rather than an executive. Where the Chair is unable to approve and submit the written update within one week of the meeting being reported on, another member of the SRB should be nominated by the chair to do so. If the Chair is unable to nominate an alternative SRB member to draft the update for any reason, the SRB should nominate one of their members to provide it.

Role and responsibilities

15 The SRB is responsible for the strategy, policy and oversight of :

- i the formulation and delivery of the regulatory, technical and professional standards, entry and admission to the profession standards for individuals (through RICS' education and qualification standards), registration policy and standards for firms and policy objectives therein of RICS
- ii the determination and implementation of consumer and client protection policies including redress and compensation strategies
- iii making such Rules as may be required to deliver objectives of RICS relevant to 13
- iv the publication and/or promotion of:
 - RICS conduct, ethics, technical and competence professional standards and
 - guidance and advice for RICS members and firms on matters relating to RICS regulation, standards, education and qualification and
 - regulatory decisions of the Regulatory Tribunal.
- v ensuring fair regulatory process(es) and sanctions policy are delivered, having regard to the need for RICS to act in the public interest
- vi ensuring the monitoring of, and response to, changes to legislation and public policy which could affect the regulatory, standards, education and qualification responsibilities of RICS
- vii ensuring the right conditions are in place to support the RICS executive in achieving its regulatory, standards, education and qualification operational and policy objectives, and compliance with key performance indicators
- viii taking into account the public interest and providing public and market confidence, the Board is responsible for overseeing the requirements for entry into RICS registration and the requirements placed on the profession for ongoing practice
- ix identifying and securing the levels of resource, including financial, required to meet its responsibilities, including setting and amending from time to time the level of fees and charges payable in relation to the discharge of its functions.

Meetings

16 The SRB shall meet at least four times per year. Subject to the provisions of the Bye- laws, Regulations or Rules, and any other Rules made under them, the SRB may regulate its own procedure.

- 17 The SRB shall meet on dates, times and at places as the Chair shall determine. The Chair shall have regard to the SRB's global remit and the availability of sufficient SRB members to ensure that, at each meeting, the quorum as a minimum is met.
- 18 The Chair shall agree with the Executive Director of the Profession or their nominee(s) an agenda for each meeting.
- 19 The Chair has the power to make decisions between meetings in order to conduct the agreed business of the SRB and to ensure that it achieves its objectives in a timely manner. Any such decisions will be reported to the SRB at its next meeting.
- 20 The SRB has the power to make decisions between meetings, by correspondence (including by electronic means or telephone). Any such decisions will be reported to the SRB at its next meeting.
- 21 The SRB will be supported between, and at its meetings, by RICS staff, as appropriate. Other RICS Officers, staff, experts, advisers and/or RICS members may be invited by the SRB Chair to attend and contribute to meetings of the SRB, but shall not be entitled to vote.
- 22 Meetings may be held by appropriate electronic means.
- 23 A written record of the agenda, minutes of Board discussion, and decisions reached by the Board, will be kept.
- 24 Once the minutes of the SRB have been approved at the next scheduled meeting of the SRB, they will be shared with Governing Council, Management Board and Audit Committee within one week of the meeting.

Operation of the SRB

- 25 The SRB will carry out its responsibilities within the framework of general duties and procedural requirements for the SRB set out within RICS' Board Handbook.

Consultation and liaison

- 26 The Board shall be responsible for:
 - liaison and consultation with RICS in respect of the regulation, standards, education and qualification policy initiatives and
 - providing advice or recommendations to RICS Governing Council or other Governance Body on matters which are relevant to issues falling within the Board's responsibility.

Raising matters with Governing Council

- Any member of the SRB may raise any matter with Governing Council through the Chair of Governing Council. If the Chair of Governing Council is conflicted in the matter, they may raise it with the senior independent Member of Council.

Approvals and annual review	
Date approved by Governing Council:	15 February 2022
Date due for next annual review:	15 February 2023

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



[rics.org](https://www.rics.org)